

**INFLUENCE OF STRATEGIC HUMAN RESOURCE  
MANAGEMENT PRACTICES ON EMPLOYEE  
PERFORMANCE IN LEVEL FIVE PUBLIC  
HOSPITALS IN KENYA**

**FELISTUS HILDAH MAKHAMARA**

**DOCTOR OF PHILOSOPHY**

**(Human Resource Management)**

**JOMO KENYATTA UNIVERSITY OF  
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Employee Performance in Level Five Public Hospitals in Kenya**

**Felistus Hildah Makhamara**

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## DECLARATION

This thesis is my original work and has not been submitted for a degree in any other university.

Signature ..... Date .....

**Felistus Hildah Makhamara**

This thesis has been submitted for examination with our approval as the university supervisors.

Signature ..... Date .....

**Dr. Esther W. Waiganjo, PhD**

**JKUAT, Kenya**

Signature ..... Date .....

**Dr. Josphat Kwasira, PhD**

**JKUAT, Kenya**

## **DEDICATION**

This Thesis is dedicated to God Almighty for His continued grace. It is also dedicated to my beloved son, Ted for his patience and prayers during the time I was away writing this Thesis.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

<b>AMO</b>	:	Ability Motivation and Opportunity
<b>CIC</b>	:	Commission for implementation of the Constitution
<b>CRA</b>	:	Commission for Revenue Allocation
<b>CSFs</b>	:	Critical Success Factors
<b>CSPB</b>	.	County Service Public Board
<b>CT</b>	:	Contingency Theory
<b>CT</b>	:	Cybernetic Theory
<b>GOK</b>	:	Government of Kenya
<b>HC</b>	:	Human Capital
<b>HMIS</b>	:	Health Management Information System
<b>HR</b>	:	Human Resource
<b>HRH</b>	:	Human Resource for Health
<b>HRM</b>	:	Human Resource Management
<b>HRMP Act</b>	:	Human Resource Management Professional Act.
<b>JKUAT</b>	:	Jomo Kenyatta University of Agriculture and Technology
<b>KMPPDU</b>	:	Kenya Medical Practitioners Pharmacists and Dentists Union
<b>KNH</b>	:	Kenyatta National Hospital
<b>MBO</b>	.	Management by Objectives
<b>MDG</b>	:	Medium Development Goals

<b>MOH</b>	:	Ministry of Health
<b>MTCPS</b>	.	Medium Term County Fiscal Strategy Paper
<b>NGO</b>	:	Non Governmental Organization
<b>PAC</b>	:	Public Accounts Committee
<b>SHRM</b>	:	Strategic Human Resource Management
<b>SPSS</b>	.	Statistics Package for Social Science
<b>WHO</b>	:	World Health Organization
<b>KNUN</b>	:	Kenya National Union of Nurses

## DEFINITION OF TERMS

<b>County Governments</b>	The counties of Kenya are geographical units envisioned by the 2010 Constitution of Kenya as the units of devolved government. The powers are provided in Articles 191 and 192, and in the Fourth Schedule of the Constitution of Kenya and the County Governments Act of 2012. (Kenyan Constitution)
<b>Employee Performance</b>	It is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organisation, to pre-defined acceptable standards while efficiently and effectively utilising available resources within a changing environment (Dessler, 2010).
<b>Human Resource</b>	Human resources are the people who make up the workforce of an organization, business sector, or economy. "Human capital" is sometimes used synonymously with "human resource, (Byars & Rue, 2006)
<b>Level Five hospitals</b>	These are regional centres which provide specialised care, including intensive care, life support and specialist consultations and are referral point for the County Government.

**Strategic Human Resource Management** It is an approach that defines how the organizations goals will be achieved through people by means of HR strategies and integrated HR policies and practices. Integrated vertically with business strategy and horizontally with one another. The strategies define specific aspects of people management, such as resourcing training and development, reward and employee relations. (Armstrong, 2009).

**Strategic Human Resource Management Practices** Strategic human resource management practices are those practices specifically developed implemented and executed based on a deliberate linkage to an organization's Strategy, (Huselid,2007). These represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees. (Megginson, 2010).

## ABSTRACT

The Health Sector in Kenya is ranked as one of the major basic needs and as one of the pillars of vision 2030 as well as the constitution, high priority is placed on the provision of health services and service delivery. The determination of priorities in public hospitals systems, include resource allocations, expenditure and human resource in areas of recruitment, selection, training and development, retention, welfare, participation and reward systems. The main objective of the study was to investigate the influence of Strategic Human Resource Management Practices on employee performance in the health sector in Kenya. Five theories guided the study; Human Capital theory, Cybernetic theory, Contingency theory, goal setting theory and AMO theory. The key variables of the study were strategic recruitment and selection, strategic training, strategic employee welfare services, strategic employee voice, strategic reward and compensation system and employee performance. The study used descriptive research survey and adopted cross-sectional survey research design. The study targeted all permanent employees of ranks of senior management, middle management, lower management and general staff in the health sector (hospitals). A target population of 1428 from which a sample of 146 was taken was used. A simple random sampling was used in selecting the public hospitals for the study. Proportionate sampling was used in selecting the permanent employees from the hospitals which ensured that the hospital with higher population had more members in the sample which also represented 10% of the accessible population. Purposive sampling was used in selecting the hospitals for pilot study where employees from two hospitals outside the ones selected for the study were used. A pilot study was conducted for the data collection instrument which was pretested before data collection for validity and reliability. Both primary and secondary data methods were used. Data was collected using questionnaires and interview schedules. Data was analyzed using The Statistical Package for Social Sciences (SPSS) version 22 and presented in tables. The study also adopted correlation and multiple regression analysis at 0.05% level of significance that determined the strength and direction of the relationship of the variables. Findings of the study indicated that the five variables influenced employee performance in the health sector in Kenya. In conclusion the study reveals that the said variables highly, averagely or lowly influence employee performance. From the study findings, the researcher recommends the use, implementation and sensitization of strategic human resource management practices contingent to the health sector that will steer up employee performance..

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background of the Study

The concept of Strategic Human Resource Management (SHRM) evolved in the 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management. (Schuler, 2007). It was influenced by the global competition, and the corresponding search for sources of sustainable competitive advantage, and had achieved its prominence because it provided a means by which firms could enhance the competitiveness and promote managerial efficiency and effectiveness through employee performance in the organization. By nature, Strategic Human Resource Management implied a managerial orientation which ensured that human resources were employed in a manner conducive to the attainment of organizational goals and objectives.

According to Dessler, (2013), Strategic HRM focused on several issues such as; the fit between human resource management practices and organizational strategic goals, the integration of human resource management in an organizational strategic management, the involvement of human resource function in senior management teams, the devolvement of human resource practices to line managers and taking a strategic approach to employee selection and recruitment, strategic training and development, strategic compensation or reward, performance reward, employee voice mechanism, welfare practices, performance appraisal and the human resource value addition to the organizational performance

Ongoing analysis that is in the SHRM generally looked at the way human resource (HR) added strategic value and contributed to both employee performance and organizational performance. Strategy highlighted the need for determination of long-term goals of an organization, the undertaking of causes of action and the allocation of resources necessary for carrying out these goals (Armstrong, 2009). According to Oladipo, (2011), the hyper-competitive global business field had affected organizations and stakeholders in that they were demanding that all functional areas within them, including human resource function, clearly demonstrate their

contribution to performance and ensure that a firm's human capital contributed to the achievement of its business objectives through employee performance. Meaning that SHRM facilitated the development of a human capital that met the requirements of organizational strategy, in order to achieve its goals and mission. (Guest, 2007). Employees were developed for example through various training programmes, they were inculcated with their skills and abilities, that improved their performance when they felt motivated and felt part of the organization. This then translated in them performing better in their tasks.

According to Armstrong and Baron, (2008), people and their collective skills, abilities and experience, together with their ability to use these in the interests of the organization that has engaged them improved individual performance and that of the entire organization. The practices of SHRM such as selection and recruitment, training practices, welfare services, employee voice, and reward and compensation systems were concerned with how people were employed and managed in organizations in order to realise the organization's targets.

Instead of focusing on individual human resource practices that were used independently or in isolation, SHRM researchers looked more broadly at bundles of HR practices or HR systems that were implemented in combination (Lepak & Snell, 2007). In their argument, (Delery & Doty 2006), argued that there was a general agreement that human capital could be a source of competitive advantage that influence organizational performance. That HRM practices were the most direct influence on the human capital of a firm. The complex nature of a coherent HRM system of practices could enhance the inimitability of employee performance on the entire organizational system. According to Huselid and Becker (2011), HRM practices lead to improved employee performance that eventually translated to organizational performance. Furthermore, recent literature on the strategic perspective of HRM had structured the importance of the net effect of HRM upon performance, based on the 'best fit to HRM-employee performance relationship, (Hofstede & Minkov, 2010).

Human Resource Management practices did stand on their own, they were bundled for effectiveness (Delery & Doty, 2006), and the effectiveness of any HRM practice depended on their relationship with other practices. This then led to the wide recognition of human resource. According to Schuler and Jackson (2007) cited by (Waiganjo, 2013), emphasis was laid on key competitive issues of business organizations because of their role in the global economy. In SHRM, internal fit and external fit were the two main research streams. Scholars (Iravo, 2011 & Mutembei, 2014), suggested that apart from internal organization characteristics, environmental characteristics also significantly influenced employee performance.

According to (Muchomba, 2014), the success and productive continuity of health sector in the county governments demanded significant changes in the human resources management component, which if not addressed would lead to the dysfunctioning of the new system of governance in Kenya. Various scholars such as de Mello (2011), Sepulveda and Martinez (2011) and Kumar (2010), cited by Apwoka (2014) though research had indicated that the transition from the central government to devolved government always caught most stakeholders or beneficiaries by surprise resulting into rough changeover from old functional systems to new adventurous forms that required skills and expertise to operationalize. One key challenge in all those transitions was the failure to harmonise human resource for effective performance.

### **1.1.1 Devolved Health Sector in Kenya**

The Public hospitals of today are operating in a competitive environment and to remain relevant in the fast market, it needed to respond quickly to the ever-changing customer demands. The hospitals emphasized on a broadly accepted means of measured performance, continuous improvement and responsiveness to the needs of patients, physicians, community and stakeholders. Hospitals were mainly the focal points of service delivery to the public, education for the health professionals and clinical research that was key for those that wanted to get into the field of medicine.

A hospital was a complex institution to manage administratively and it therefore needed thorough knowledge of the set-up, peculiar conditions contingent to its

administration and environs. The complexity was brought about by the offering of complex functions, recruitment and selection of highly skilled staff, the provision of better facilities and the changeover from centralized to devolved system of healthcare. Kenya's Health Sector was guided by a Health Policy. The Kenya Health Policy 2012/2030 provided roadmaps to guarantee significant progress in the health status in Kenya. This was in concomitant with the prerequisite of the Kenya's Constitution of 2010.

The policy demonstrated the responsibility of the health sector in Kenya, with supervisory role played by the National government, which made sure that Kenya achieved the utmost values of health, as a reaction to the needs of citizens. The 2012-2030 strategic policy for this contrived to be rational, balanced and all-inclusive. As a result, it focused on the two main health mandates, which included its role in the development of economy stipulated in the Kenya's 2010 constitution as well as Vision 2030 (Ministry of Health, 2012). It also guarantees efficiency, fairness, and social responsibility in delivering health care services. The health sector policy had key orientations that were embedded in its objectives. These included; systems for delivery of service: This was the organization of the delivery of health sector service; governance and Leadership which entailed the organization of the delivery of service;

Healthcare personnel: The Human Resources in the provision of health services; Financing in Health: The systems necessary to guarantee sufficient resources for service prerequisites; Health products and Technologies: the vital medications, health supplies, technologies in health, merchandise of public health, and vaccines;; Health Information system used to generate, analyse, distribute and utilize health-related information; and Health Infrastructure which involve the information communication technology (ICT), material infrastructure, paraphernalia, and transport essential for delivery of service.

### **1.1.2 County Governments in Kenya**

The County Governments in Kenya are geographical units envisioned by the 2010 Constitution of Kenya as the units of devolved government. The powers are provided in Articles 191 and 192, and in the Fourth schedule of the Constitution of Kenya and the County Governments Act of 2012. They constitute of a county assembly and county executive. Their major functions include Agriculture, county health services, control of air pollution, noise cultural activities, public entertainment and public amenities; county transport, animal control and welfare, trade development and regulations, county planning and development, pre-primary education, and implementation of specific national government policies on natural resources and environmental conservation, county public works and services, fire station and control of drugs and pornography.

All these functions fall under the following: - Exercising the powers of enacting laws at the county level, acting as an oversight instrument on the county executive. Approval of plans and policies for smooth operation and management of resources and county institutions, Establishment and staffing of its Public service as contemplated under article 235 of the constitution.

This then was to provide for organization, staffing and functioning of the county public service in ways that would ensure efficient, quality and productive services for the people of the county, they were to provide for institutions, systems and mechanisms for human resource utilization, human resources development and career progression practices, address staff shortages and barriers to staff mobility within and between counties.

### **1.1.3 Strategic Human Resource Management Practices**

Strategic human resource management practices are those practices specifically develop, implement and execute based on a deliberate linkage to an organization's strategy (Huselid, 2007). The term strategic human resource management implies that employees are strategic resources of an organization i.e. human capital that must be managed and leveraged in executing organizational strategy.

According to Oluoch *et al.* (2013), strategic human resource management practices are flexible, and able to react swiftly to the changing global business environment and promoted behaviours in employees that are designed to enhance their performance. According to Natule (2011), SHRM practices when operationalized, could be tightly aligned to traditional human resource management practices such as recruitment and selection, training and development, employee relations and rewards to a company's strategy.

It is the institutionalization of policies and procedures that facilitated proficient strategy execution. This is where teams were used to leverage cross-functional knowledge and competencies, developing learning organizations that facilitate the constant adoption, utilization, ownership, and internal fit, and executing change management approaches that contributed to building and maintaining strategy supportive of corporate cultures. Practices included recruitment and selection, long term incentives, welfare practices, merit pay; reward systems like team based compensation, voice mechanisms and enhanced involvement of human resource in crafting, implementing and executing strategy (Huselid, 2007).

Health Sector in devolved governments had put in place their Medium term county fiscal strategy papers where they have highlighted key priority areas which helped them move forward, perform better, and improve the performance of their counties, their workforce and livelihood of their people. Highlighted in the MT were participation, welfare issues, employment and development, (MTCFSP, 2014-2016, also cited in Ministry of Devolution strategic Plan 2013/2014-2017/2018). It was only through Strategic human resource management practices that counties would be able to realize their goals and objectives.

Strategic Human Resource Management aims to achieve strategic integration and coherence in the development and operations of HRM Practices in the health sector of county governments in Kenya. Strategic integration could deal with both vertical and horizontal integration and coherence of HRM practices in line with the devolved health sector of every county's strategies (Midida, 2014).

The HRM policies and practices are among the functions that the County Service Boards were charged with. They facilitated county ministries including the health sector (4<sup>th</sup> schedule of the 2010 constitution).

#### **1.1.4 Strategic Human Resource Management Practices In A Devolved Health Sector at the Global, Regional and Local levels**

Globally, for example in the USA, recruitment and selection in their devolved health sector was redesigned to incorporate new administrative responsibilities, qualifications, skills requirements and resource available at different levels of the devolution system. In Brazil, an important federally supported primary healthcare program specifically retained many staffing concerns for instance, composition of teams, personnel job description even while program implementation had been devolved to the Municipal level. This design was done to ensure that the local implementation meet national objectives as well as to avoid political interference, Frederico *et al.* (2009)' China also had difficulties in transferring staff members between local government units endowed with devolved human resource powers.

Health care increased or even created horizontal inequities among personnel especially if it was devolved. According to Lui (2007), staff members in China and Philippines who performed similar jobs were paid differently because some continued to be administered by the central government while others were paid by the local government. The health sector had been undergoing tremendous transformation globally. Health sector reform was a process that sought major changes in national health policies, programmes and practices through changes in priorities, law, regulations organizational structure whose main aim was improved quality and efficiency of employees and service (World Bank, 2012).

Still on the global front, a research team of more than 40 interviewers conducted their interviews on 1200 hospitals in European counties that included Canada, UK, France and USA. This team collected statistical evidence on employee performance in the hospital. They found that a strong relationship existed between specific hospital management practice scores and specific hospital outcomes. The HRM practices adopted during this research were those establishing how well the hospital

operational system, training reward systems and talent retention were managed to improve employee performance. The research found out that the hospitals that practiced high and specific management practices had better working conditions, good equipment and also high levels of patient - customer satisfaction and better management of finance.

Employees in the health sector are the core building blocks of a health system. Global evidence pointed to a direct correlation between the size of a country's health workforce and its health outcomes. In 2006, the World Health Organization (WHO) alerted the world of a shortfall of 4.3 million trained health workers, with the worst shortages being experienced in the poorest countries in Africa. The direct result of this was that millions of people die or are disabled every year. The WHO (2006) put Kenya as one of the 57 countries in the world that faced a severe health workforce crisis and was one amongst the 36 within sub-Saharan Africa. In Africa, there had been lack of capacity to implement the health policies and programmes needed for the effectiveness of the health sector.

According to Freel, (2012), working in the hospital was not an easy walk in the park. The administrator's work was tough and demanding. With the competition and expansion of the healthcare system, the workers and especially those charged with administration of the hospitals needed proper preparation, knowledge and expertise during this transformational era.

At the regional level, for example in Tanzania, devolution especially that of the human resource was positively associated with quality of health care. The recruitment and selection procedures for junior staff fell under districts while the senior management were handled centrally (Rahman, 2013). Even though recruitment and contracting procedures had been decentralized in Tanzania to the district level especially for lower cadre, the recruitment and selection had remained lengthy coupled with delays. According to Milga, (2009), when analyzed, the degree of devolution in government and NGO health care facilities, measured against ability to hire personnel, set salary scales, pay workers from local resources, it was found that devolution was associated with better quality of care including health education, client responsiveness, clinical and diagnostic procedures. In Ethiopia

devolution of health care was introduced in 1996 and seen as the primary strategy to improve health service delivery. It formed part of a broader devolution strategy across different sectors of which healthcare was one. Devolution first took place at regional level and was further extended to the district, or *Woreda*, level in 2002. Still in Ethiopia, through devolution, a four-tiered system of care facilities was created that is National Referral Hospitals, Regional Referral Hospitals, District Hospitals and, lastly, Primary Healthcare Facilities. The devolution mechanism entailed districts receiving block grants from regional government and they, in turn, were entitled to set their own priorities and determined further budget allocation to healthcare facilities based on local needs. As such, the district levels were responsible for human resource management, health facility construction and supply chain processes.

Locally, health in Kenya was ranked as one of the major basic needs wherefore the government of Kenya had tried to meet its demand for many decades. As one of the pillars of vision 2030 in Kenya, as well as the new constitution, high priority was placed to the provision of health services. Further the constitution under the Bill of Rights stated that access to healthcare was a right to every Kenyan. The healthcare sector had tried to fulfil the expectations of Kenyans through various strategic interventions such as infrastructure and service delivery (MOH, 2013).

Kenya's MOH was committed to addressing the numerous challenges in the health sector. This included decentralization efforts that are charged with strengthening of activities at the county hospitals. Through the health sector strategic plans, the MOH had committed itself to decentralization by giving authority for decision making, resource allocation, and management of healthcare to the county hospitals. The mission of the government of Kenya was to improve both preventive and curative health services and to enable Kenyans engage in productive nation building activities. This could not be achieved without the human resource.

Devolution had affected most functions and performance of various institutions of which health sector in Kenya was one, (Article 235 of the Constitution of Kenya). The constitution empowered the county governments to establish offices and employ staff that would perform functions allocated to them as stated in the fourth

schedule of the constitution 2010. By this, staffs that were working in the health departments of the local governments became employees of the county governments. They included employees from community services, primary care services, and local governments' referral hospitals. Some counties benefited whereby they inherited qualified staff while others did not. Devolved county governments in Kenya were given the autonomy to make decisions on the subsector resource that included allocation, expenditure and employee management.

The public sector system has; health facilities; i.e., national referral hospitals, provincial and district health centres. The MOH (2009) classifies public hospitals based on the primary attributes such as range of services offered, size of facility and number of beds. Other secondary characteristics used in classifying the facilities included the range and size of the establishment and the size of the target population. The facilities under the MOH included a national referral hospital, provincial general hospitals and district hospitals now known as County Hospitals (MOH, 2012). The shortage of healthcare employees was not unique to Kenya just like most African countries. The World Health Organization (WHO) identified Kenya as one of the countries that had a critical shortage of health care employees. While WHO set the minimum threshold of 23 doctors, nurses and midwives to ratio of 10,000 for effective service delivery, Kenya ratio stood at 13 per 10,000 (WHO, 2010). The shortage was notably in County district hospitals and provincial hospital, (TI, 2014).

The Human Resource management professional's Act, human resource professionals in Kenya were called upon to provide evidence of the input of human resources on the performance of their employees (Apwoka *et al.*, 2015). With the implementation of the Act, (2012), in Kenya, performance of the HR function within the health sector was supposed to improve even better. According to Otiende, (2013), the ability of the human resource functions to demonstrate their integral role in the achievement of improved employee performance was requisites to justify their function's existence in the health sector in Kenya.

In recognizing that human resource demands were an integral part of the challenges confronting the National Health System, the Kenya human resource for health

(HRH) Strategy was one of the steps the national and county governments in collaboration with partners to strengthen the employees in the health sector in order to deliver quality health services more efficiently. There were myriads of challenges facing the Kenya's Health sector which included severe shortages of essential cadres, persistent inability to attract and retain health workers, poor and uneven remuneration among cadres, poor working conditions, inadequate or lack of essential tools and medical and non-medical supplies, the unequal distribution of staff, diminishing productivity among the health workforce, and poor leadership and governance, (HRH Report, 2012-2030).

A study by Orsborne (2011) indicated that the health sector management faced several challenges that included; human resource capacity, lack of organizational support, too many systems and processes that were inadequate, outdated, complex and inconsistent with their responsibilities. Other issues also noted were lack of preparation for managerial roles, balancing priorities, work pressures, lack of recognition, role conflict, lack of involvements in decision making and not forgetting role ambiguity, job security and lastly conflicting government directives especially.

### **1.1.5 Concept of Employee Performance**

Employee performance is a core concept within work and organizational psychology. It was a multidimensional and dynamic concept. It was a term synonymous with human resources and it was all about performance of employees in a given organization and the level at which the employees performed their work. It has to do with all the job activities expected of an employee and how well those activities were carried out, (Kavoo-Linge *et al.*, 2013). Employee performance has also been viewed at in terms of outcomes, as well as in terms of behaviour. It could also be based on individual factors; personality, skills, knowledge, experience and abilities. According to Armstrong (2009), different indicators are used to measure performance. Quality could be measured by percentage of work output that must be redone or rejected, customer satisfaction that is measured by the number of customers that are faithful and customer feedback; timeliness of efficiency; that is measured in terms of how fast work is performed by the employee when given a

particular task. While according to Makata (2008) absenteeism that was observed when employees were absent from work and achievements of objectives measured when an employee was considered to have performed better than eventually achieving set objectives. According to (Kenney *et al.*, 2003) employee's performance was measured against the performance standards set by the organization. These could be productivity, efficiency, effectiveness, quality, profitability measures and customer feedback be it positive or developmental feedback.

Effectiveness was the ability of employees to meet the desired objectives or target (Stoner, 2006). Quality was the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Armstrong, 2009). According to (Dessler, 2013), employee performance is an individual measurable behaviour which was relevant for organizational goal achievement. It consists of an aspect of both behaviour and an outcome. Organizations usually assessed an employee's performance on an annual or quarterly basis in order to assist them in the identification of suggested areas of improvement and determined as to whether the employee was performing or not. This was what was known as positive and developmental feedback.

Where an employee goes beyond the individual factors that included external factors such as reward and motivation, work environment, their performance was measured under four dimensions; quality, quantity, dependability and work knowledge. According to Cole (2008), employee's performance was measured against the performance standards set by the organization. Performance was the achievement of specified task measured against predetermined or set standards of accuracy, completeness, cost and speed. Apart from competitiveness and productivity, efficiency and effectiveness is the salt of performance, and strategic training programs were ways of increasing an employee's performance, (Simiyu, 2015). For an organization to succeed it depended on the employee performance whereby the organization had to utilize its human capital effectively.

Employees also had expectations in regard to their performance, how they functioned and presented themselves in a given organizations was also be known as employee performance. This was then interpreted that, the effective administration and presentation of employee's tasks which reflected the quality desired by the organization was also termed as performance. According to (Apiah *et al.*, 2010), an employee's performance is determined during job performance reviews. Accomplishing tasks and performing at a high level is a source of satisfaction with feelings of mastery and pride. Low performance and not achieving the goals are due to experiences as dissatisfying or even as a personal failure.

Employee performance recognised by others within the organization is often rewarded by financial and other benefits. High performers get promoted more easily within an organization and generally had better career opportunities than lower performers (Sabwami, 2014). The main objective of devolution in Kenya was to bring services closer to the people. According to Nyongesa (2010), Kenyan's expectations are so high that a full chapter in the New constitution put emphasize on County Public Service Board, as an agency for equipping county sectors with human resource. A number of initiatives are put in place such as the secondment of employees from the central government with attractive pay. Despite all these initiatives, the health sector in most counties still had problems of service delivery to their citizens.

Human resources for health (HRH) had long been recognized as the cornerstone of health sector to produce, deliver and manage services. The World Health Organization (WHO) defined the health workforce as; all the people engaged in actions whose primary intent was to enhance health. Inadequate staffing levels, lack of appropriate skills, poor staff attitude, low morale and weak supervision undermined the quality of public health services provided, especially at county health facilities. The shortage of health workers compromised performance and eventually the health and development of a nation. Kenya health sector had inadequate crucial health staff like doctors, nurses, clinical officers and diagnostic scientists, psychiatrists, laboratory technologists among others.

In addition there were regional disparities in the distribution of the existing health workers and the hard-to-reach got disadvantaged with less staff. WHO (2012) recommended at least 23 doctors, nurses and midwives per 10,000 people? Kenya had one doctor, 12 nurses and midwives per 10,000 people.

It is worth noting that Employee performance is crucial if an organization was to maintain its efforts towards the realization of predesigned goals especially in a competitive environment. Emerging issues in most organizations in the field of Human resource has forced most organizations to re-engineer the way they recruited, trained, retained, motivated and rewarded its labour force. The successful future of any sector in an economy depends on its strategic approach to economic issues. The level 5 hospitals, being key pillars of Kenya's economy required a high degree of competitive and high performing employees. (Nyanjom, 2011).

## **1.2 Statement of the Problem**

Human resource for health has long been recognized as the cornerstone of the Health Sector to produce, deliver and manager services (WHO, 2013). Health in Kenya is ranked as one of the major basic needs and plays a big role in the realization of vision 2030, public service reforms and the Millennium Development goals (Health Sector, Human Resource Strategy, 2014-2018).

High priority is placed on the provision of health services where health professionals serve as a life giving force to the nation. In devolved government, the health policy 2012-2030 provides guidance to the health sector in terms of identifying and outlining the key activities that would help the realization of the Sector's goals. But there is nothing to show that these guidelines are working.

Inadequate number of skilled health workforce, health worker's persistent unrest, high human resource turnover, unsatisfied staff, lack of promotions, skill mismatch unfairness, low staffing levels, lack of HR development, poor infrastructure, lack of drug/equipment are critical challenges that are hampering employee performance in hospitals. (HRH Strategic plan 2014-2017).

WHO report, 2012 indicates that the performance of the health workforce in Kenya is below 50%. It also ranks Kenya as one of the 57 countries in the world with a critical crisis in health workforce. This shortage of the health workforce compromises service delivery and ultimately the health and development of a nation. The level five hospitals have inadequate crucial health staff like doctors, nurses, laboratory scientists, clinical officers in addition there are regional disparities in the distribution of the existing health professionals and hardship areas get disadvantaged with less staff. WHO recommends 23 doctors, nurses, and midwives to 10,000 people but Kenya has one doctor, 12 nurses and midwives to 10,000. The hospitals are stretched dangerously thin as they deal with high patient load and increasing complex cases (KMPPDU Report, 2014). This challenge can be attributed to failure to completely not delinking the county governments from the national government. A study carried out by Ministry of Health (MOH, 2015) found out that 61% of health managers in hospitals were inadequately skilled, lacked knowledge and expertise for the management roles and this further affected service delivery as they led to unconsciously mismanaging health facilities, financial mess and loss of lives.

Accordingly, Muchomba (2013) investigated the influence of devolved governance on performance of the health sector specifically, Mombasa General Hospital and Kenyatta National Hospital, where he looked at leadership style, technology, devolved procurement and regulatory framework as variables. The study recommended that the success of devolution of healthcare would require strategic approach in order to realise the benefit of new governance dispensation. The literature from these studies failed to address the key SHRM Practices that influenced performance in the Health sector It is against this background that the study was ideal and it aimed to fill the gap.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The general objective of the study was to investigate the influence of Strategic Human Resource Management Practices on Employee Performance in the Health Sector in Kenya.

### **1.3.2 Specific Objectives**

1. To determine the influence of Strategic recruitment and selection on employee performance in the health sector in Kenya.
2. To establish the influence of strategic training on employee performance in the health sector in Kenya.
3. To determine the influence of strategic Welfare services on employee performance in the health sector in Kenya.
4. To establish the influence of strategic Employee voice on employee performance in the health sector in Kenya.
5. To Determine the influence of strategic reward on employee performance in the health sector in Kenya
6. To establish the moderating effect of Human Resource Management Professional's Act on the relationship between strategic human resource management practices and employee performance in the health sector in Kenya.

### **1.4 Research Hypotheses**

The study was guided by the following research hypotheses

- H<sub>1</sub> : Strategic recruitment and selection has a positive significant influence on performance of employees in the health sector in Kenya.
- H<sub>2</sub> : Strategic training has a positive significant influence on employee performance in the health sector in Kenya.
- H<sub>3</sub> : Employee welfare services has a positive significant influence on employee performance in the health sector in Kenya.
- H<sub>4</sub> : Strategic Employee voice has a positive significant influence on performance of employees in the health Sector in Kenya.
- H<sub>5</sub> : Strategic reward and compensation system have a positive significant influence on performance of employees in the health sector in Kenya.

H<sub>6</sub>: Human Resource Management Professional's Act has significant moderating effect on the relationship between on strategic human resource management practices and employee performance in the health sector in Kenya.

### **1.5 Significance of the Study**

The study provided more insights on how best to deal with the challenges of Human resource function in the health sector in Kenya. The health sector in Kenya could benefit from this study if it could adopt the strategic management practices developed by this study for the improvement employee performance. The findings of this study are useful as they provide relevant government departments, the health sector, NGOs and individuals with information necessary to be used as reference materials on employee performance. The government when formulating future strategies to improve performance in the national government and even the health sector in Kenya, can borrow from the study findings. The empirical data generated is useful to the government as a whole. The health sector in Kenya can also use this for policy making including other ministries in formulating policies aimed at handling employee performance effectively.

The study also serves as an area of reference to researchers interested in this area, and it adds to the body of literature. The theories discussed in this study are beneficial to the researchers and academicians as they help them in the ongoing debates on theories. Researchers can also use this study as a basis for further research by filling the gaps in this study. The results of the study is valuable to researchers and academicians in expanding knowledge on research on the contributions employee performance in devolved health sector in Kenya and the entire country.

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

The scope of the research was limited to Influence of strategic human resource management practices on the employee performance in Health Sector in Kenya. The study focused on four (4) randomly sampled major county hospitals within Kenyan health sector and in selected county governments in Kenya. A report by the

Controller of budgets 2014/2015 highlighted ten counties whose governors had used the budgets allocated to them in a fair manner and for the purposes that they were intended to and that included improvement of their county governments and ten counties that have the worst performing governors. It was from this list of twenty County Governments that the study used simple random sampling to select four counties. Purposive sampling was used in selecting the four county hospitals respectively. That is, two (2) from the best performing governors and two (2) from the worst performing governors. The study sought to determine and establish the influence of strategic recruitment and selection, strategic training, strategic employee welfare, strategic employee voice and strategic reward system have any on the performance of employees in the health sector in Kenya and Specifically in Bungoma County Hospital, Kangundo County Hospital, Kakamega County Hospital and Kajiado County Hospital.

### **1.7 Limitation of the Study**

In the process of collecting data, the researcher encountered some problems whereby the hospitals being government institutions the release of information by respondents was difficult. Some respondents were apprehensive on what the study intended to do with the information. The other limitation was encountered where some respondents were reluctant to provide information and return the questionnaires due to the sensitivity of the information given. The researcher however had sensitized the research assistants on how to explain the issues that were being asked in the instruments. The respondents were also assured of the confidentiality which included the guarding of their identity. Another limitation was the one of bias in the county hospitals. Some respondents showed outright cultural biasness after discovering the gender and cultural background of the researcher. The researcher once again sensitized the research assistants on ways and methods to use in handling such instances before going out to the field. Another limitation was experienced at the interview level. The respondents being interviewed who were senior hospital administrators tried to evade some questions posed to them for fear of victimization. The researcher however reframed the questions in a manner that enabled the respondents respond in a comfortable way.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter looked at the influence of strategic Human Resource management practices on employee performance in health sector in Kenya. Specifically it looked at Strategic selection and recruitment, strategic training practices, strategic employee welfare services, strategic employee voice, strategic reward and compensation systems. It also looked at employee performance and the moderating variable of Human resource management professional's Act. This information aimed at addressing the missing gaps.

#### **2.2 Theoretical Framework**

According to Ulrich (2005) cited by Sabwani (2014) attempts to link human resource management and employee performance rely on a belief that improving the way people are managed inevitably leads to enhanced performance. This study explained the link between using SHRM practices and performance of employees in devolved health sector in Kenya. This study focused on the following theories: Human Capital theory, Cybernetic Theory, Contingency theory also known as best fit; Ability, Motivation, Opportunity Theory (AMO Theory) and Goal setting theory.

##### **2.2.1 Human Capital Theory (HCT)**

This theory states that people possess innate abilities, behaviours and personal energy which are elements that make up the human capital. (Davenport, 1999). In HC theory it is the knowledge, skills and abilities of individuals that create value. As a result, focus has to be on the means of attracting, retaining and developing human capital. According to Armstrong (2010), individuals generate, retain and use knowledge that creates intellectual capital. The individual's knowledge is then enhanced by the interactions between them i.e. social capital which generates institutionalized knowledge that organizations has. According to Armstrong (2010), human capital theory sees people as assets and that organizations that invest in

people improve their performance which eventually generates positive results to the organization. On the other hand, Block (1990) argued that Human Capital Theory is a poor concept. The theory is unable to understand human activity other than seeing it as the exchange of commodities while the idea of capital employed is purely a quantitative one. This misses the point that capital is an independent social force where the creation of value comes about through its capital accumulation. Given this explanation then, human capital is an abstract form of labour – a commodity and not capital.

Another criticism argued is based on the assumption that education improves productivity and thus could explain higher wages. The theorists here did not take into account the transfer of learning. Does the duration of education and training increase productivity? A higher productivity indeed does not increase the wages. But many other factors could influence productivity. The pay could depend on the industry, while wages differ in different regions and in some organizations, while unions also do regulate pay system (Denvor, 2009).

In linking this theory to the health sector in Kenya, the study notes that the Human resource for Health (HRH) is a key resource for the health sector. The theory confirmed that knowledge, skills and abilities of individuals created value. As a result, focus had to be on the means of attracting, selection, retaining and developing human capital. Doctors, Nurses, Clinical Officers, laboratory technicians, information technology and in general the health workers and administrators have the knowledge and skills that needed to be developed because these abilities and skills added value to the entire health sector.

### **2.2.2 Cybernetic Theory**

According to Wright and McMahan (2006), the cybernetic theory has two major responsibilities; these are competence management and behaviour management. When the model is applied to human resource practices they are able to generate other programs that manage and reduce employee turnover in organizations. Competence management strategies ensure that the organization has the necessary competencies through training, recruitment and selection and hence the organization

is able to use the skills that are beneficial to the organization's strategy. A competency like talent retention or employee retention strategy endeavours to retain various competencies, and this is done through training. While behavioural management is concerned with achieving behavioural control and coordination in order for individual employees in the organization to act in ways that support the organizational strategy. The cybernetic theory stresses on the training of employees in order for them to fit in their job description, which eventually improves employee performance. Wright and McMahan (2006).

Linking cybernetic theory to health sector, it was noted that employee training was a key area in which the sector should take note. Trained senior managers, Superintendents, doctors, nurses, midwives, IT, laboratory attendants and general health workers in the health sector who were trained were efficient, effective and offered better services to their customers. Well behaved health workers also sold the name of the County hospital, attracted customers and were cautious of their customers feedback, these customers were mainly patients that needed careful handling. This theory therefore was applicable to the health sector in Kenya.

### **2.2.3 Goal Setting Theory**

The theory was advanced by (Latham & Locke, 2002); who emphasized goal setting and encouragement of decision rights and employee voice as a basis for employee performance. According to (Kagaari, 2010), the scholar emphasized that taking responsibility for results required that organizational members are given the opportunity to influence their results favourably and have the freedom to take action. This implied that people had to be authorized by their managers to independently and swiftly take action on problems without having to ask for permission first.

According to Armstrong (2009), employees are most likely to meet or exceed performance goals when they are empowered with the authority to make decisions and solve problems related to results for which they are accountable. Voice allowed greater involvement of employees in deciding on issues that affected their work, (Locke & Latham, 2002).

This then implied that workers had a say in defining the right Key Performance Indicators (KPIs) and the mandate to establish Critical Success Factors (CSFs) in relation to their job responsibilities. Accordingly Mesh *et al.* (2007), argued that employee involvement in decision making sometimes referred to as participative decision making (PDM) was concerned with shared decision making in the work situation. While Hewitt (2002) stated that there were certain individual contingency factors which supported participative decision making. For example, when the sets of choices were clear and employees showed greater desire for job involvements, it was healthier to let them participate in the decision making process. Participative decision making in organizations was necessary when developing greater individual responsibility.

An organization's performance goals represented a shared responsibility among all its employees each of whom had a stake in the organization's success. According to Kagaari *et al.* (2010), goal clarity and participation contribute to higher levels of motivation, and achieved managed performance provided that managers accepted those targets. Management by objectives (MBO) is a method that is frequently used by managers as a product of goal setting, and employees are allowed to participate in setting their goals. Goals specificity, participation in decision making, explicit time period and performance feedback are common ingredients of MBO programs which advocate for employee participation in goal setting, (Kubaison *et al.*, 2014).

The contributions of individuals and teams through team based participation schemes in organizations are a starting point for enumerating the results for which they are accountable (Armstrong, 2009). The study established that goal setting theory was important in supporting employee voice and specifically employee participation and involvement. It was also established that the theory was most appropriate especially where the county senior managers involved employees in the strategic decisions like recruitment and selection, reward and compensation systems and training practices activities and policy making before implementation. This motivated workers because they simply implemented their own decisions.

The concept of participation is embedded in the constitution of Kenya. The county governments subscribe to the same constitution and are expected to rally their county members to public participation. Employee participation was deemed very important as it strengthened democracy and governances, increased accountability, improved process quality and results in better decisions, managed social/ hospital conflicts and enhanced process legitimacy (Kagaari, 2012).

The study established that county hospitals which involved its staff in decision making processes tapped fresh and new ideas that helped employees perform better (Juan *et al.*, 2007). The ones that employed direct participation in the form of attitude surveys, problem solving and quality circles or semi-autonomous teams that made recommendations to the top management in the county government, specifically county service board that is charged with human resource, motivated employees. For example the study established that some departments in the county hospitals were given autonomy to come up with new ideas on how to run the hospital and passed their ideas to the top administrative management in the county hospital.

This worked very well. They set their own goals on what they wanted achieved, passed new ideas to the top management that adopted them. This greatly motivated staff in the said departments and gave them zeal to perform better. The health sector has its own mission statements, objectives and goals that guide them on where they should go and what they want to achieve. Most county hospitals have drawn up their Medium Term County Fiscal Strategy Papers for the next three years MTCSFSP 2014-2017. There are set goals and targets in this Fiscal Paper that gave the sector direction on where to go and what to achieve and how to achieve them. Therefore goal setting theory was very relevant to the health sector in Kenya.

Despite the benefits of goal setting, there were a few limitations of the goal-setting process (Locke & Latham, 2002). First, combining goals with monetary rewards motivates many organization's members to establish easy rather than difficult goals. Critics of this theory indicated that organization members might have negotiated goals with their supervisor that they have already completed. Second, goal setting focuses on organization's members on a narrow subset of measurable performance

indicators while ignoring aspects of job performance that are difficult to measure. The adage “*What gets measured is what gets done*” applies here. Third, setting performance goals is effective in established jobs, but it may not be effective when organization’s members are learning a new, complex job.

#### **2.2.4 Contingency model (Best fit model)**

This model asserts that there exist no universal or unique HRM practices and or policies, but rather they are contingent to an organization’s context, business strategy, and culture (Storey & Sisson, 2000). Proponents of this school of thought assert that HR practices are more effective when properly integrated with a given environmental and or organizational situation. Contingency theory emphasizes best fit, which requires that HR practices are suitable for organization’s situation, such as the culture, internal and external environments, and operational procedures. When applied HR practices should then consider the mutual needs of the people and the organization in question.

The main tenet of best fit theory is an exploration of the connection between HRM and strategic management through an examination of the vertical integration between an organization’s operation strategies and the drafted HRM processes and policies (Ulrich & Brockbank, 2005). Vertical integration is the fit that gives leverage by means of policies, processes, and procedures that are largely known to be the core of the strategic approaches in managing human capital (Schuler *et al.*, 2007). Therefore, best fit facilitates a clear and strong connection between internal HRM practices and policies and the external strategies concerned with the business market. This creates competence and ultimately led to superior employee performance that is reflected in organizational success (Marchington & Grugulis, 2006).

According to (Guest, 2007), the emphasis should be on the understanding that employee capabilities and talents are vital in driving an organization’s competitive advantage and that HRM practices are central in promoting employee performance, if not many organizations may overlook or fail to acknowledge the link between SHRM and employee performance. According to this approach, the manager’s task

is to identify which technique will in a particular situation under particular circumstances and at particular time, best contribute to the attainment of management goals. Methods which are highly effective in one situation may not work in other situations. Results differ with situation difference.

A major criticism against this approach is that it overly trivializes the reality. It is seen to hypothesize a linear relationship between variables in an organization only to simplify their relationship. According to Mintzberg and Zsolt (2012), this approach is limited owing to its inability to identify and categorize variables or highlight their interconnections and how they affect each other. There is current evidence which suggest that organizations are prone to failure if they don't balance employee interests, labour laws, and social norms in highly competitive markets. The practical conclusion is that proper balance between organization and employee interests is required and can be achieved through pursuit of the best fit, (Mintzberg & Zsolt, 2012).

Linking contingency theory to health sector and specifically County Hospitals, the researcher noted that all the Four County Hospitals selected for the study had different styles of managing their employees, they had different structures, facilities and they were located in different environments or locations. This meant that the hospitals in these counties operated contingent to their structures, leadership style, physical facilities, resources and cultures that was why we had best performing governors and worst performing governors. Training as a HR strategy and practice that was used had to be in line with the county hospital's way of doing things, i.e , the leadership style, the culture, and even the location and environment. The views of this theory are also applicable in designing organizational structure, in deciding the degree of centralization and decentralization, in planning information, decision systems, in motivational and leadership approaches, in establishing communication and control systems, in resolving conflicts and managing change in employee development and training programmes.

### **2.2.5 Ability, Motivation, Opportunity Theory (AMO Theory)**

Ability, Motivation and Opportunity, (AMO) theory from (Appelbaum *et al.*, 2000) cited by (Katua *et al.*, 2014) proposed HRM-performance framework and argues that organizational performance was best served by employees who have the ability to do the work, possessed the necessary skills and knowledge who were motivated to work and who had the opportunity to arrange their skills in doing their work. But Musah (2008), viewed performance as a function of Ability Motivation plus Opportunity (AMO).

The philosophy of the AMO theory was that there was no specific list of HR practices that may influence performance. Instead, the whole process depended on HR architecture that covered policies designed to build and retain human capital that influenced employee behaviour. HRM polices that were required in order to turn AMO into action were usually considered to be recruitment and selection, training and development of career opportunities, these are linked to ability and skill; rewards and incentives, are linked to motivation and involvement, team working, work-life balance, while welfare services and autonomy are linked to opportunity to participate. According to Appelbaum *et al.* (2000). The theory therefore implied that specific personal performance hinged on ownership of requisite capabilities, skills and high innate impetus.

It is important for organizations to implement the Human Resource Management practices that promote extraordinary abilities and skills such as strategic recruitment and selection, they should invest in strategic instructional practices; motivational practices like employee involvement and performance related pay or compensation. According to Musah (2008), skilled, motivated and flexible workforce can help develop an organization's sustainable core competencies which increased their performance. The study established that a health workforce that was loyal and committed to a given hospital performed well and opted to remain working for the county hospital.

In implementing AMO policies, the study established that health sector employees in some hospitals were committed to the hospitals, and some were motivated by welfare services they were offered. But on job satisfaction (attitudinal outcome) there was a big challenge. These attitudes had led to employees demonstrating a range of negative behavioural outcomes that was reflected in their performance. Discretionary behaviour i.e. making the right choices about how to do a job, such as speed, care, innovation, style and organizational citizenship behaviour (OCB) lied at the heart of the employment relationship and they are strongly connected to employee performance.

Highly committed, motivated and satisfied employees performed better. Ability, Motivation and Opportunity (AMO) policies are argued to develop attitudes and feelings of satisfaction, commitment and motivation in most employees since these translate into great performance (Purcel *et al.*, 2011). This theory also claims that people will perform if they possess the essential knowledge skills as well as qualifications to perform the task. The theory asserts that the people perform the task since they have to (Motivation), their performance improves whenever the atmosphere they are working in provides necessary support, (provide machines or technology needed). According to (Lepak *et al.*, 2007), organizations that adopt strategic HRM practices, including strategic recruitment and selection, strategic training practices, strategic voice mechanisms, welfare services that are strategic and compensation strategies yield an immense employee performance. The AMO theory has not been devoid of criticisms; its treatment of HR practices that allows for enhanced employee performance seems both theoretically defensible and empirically successful. According to Wright (2007) motivation and opportunity oriented bundles of HR practices are positively related to commitment and negatively related to turnover.

For example strategic training to equip staff may enhance commitment to work but at the same time the trained employees could find greener pastures elsewhere and leave the organization. However, skill oriented practices were unrelated to commitment and positively related to turnover. While the HR practices identified as independent variables in this research work can be subcategorized within the AMO framework, (Lepak *et al.*, 2007) states that the framework does not exclude overlap

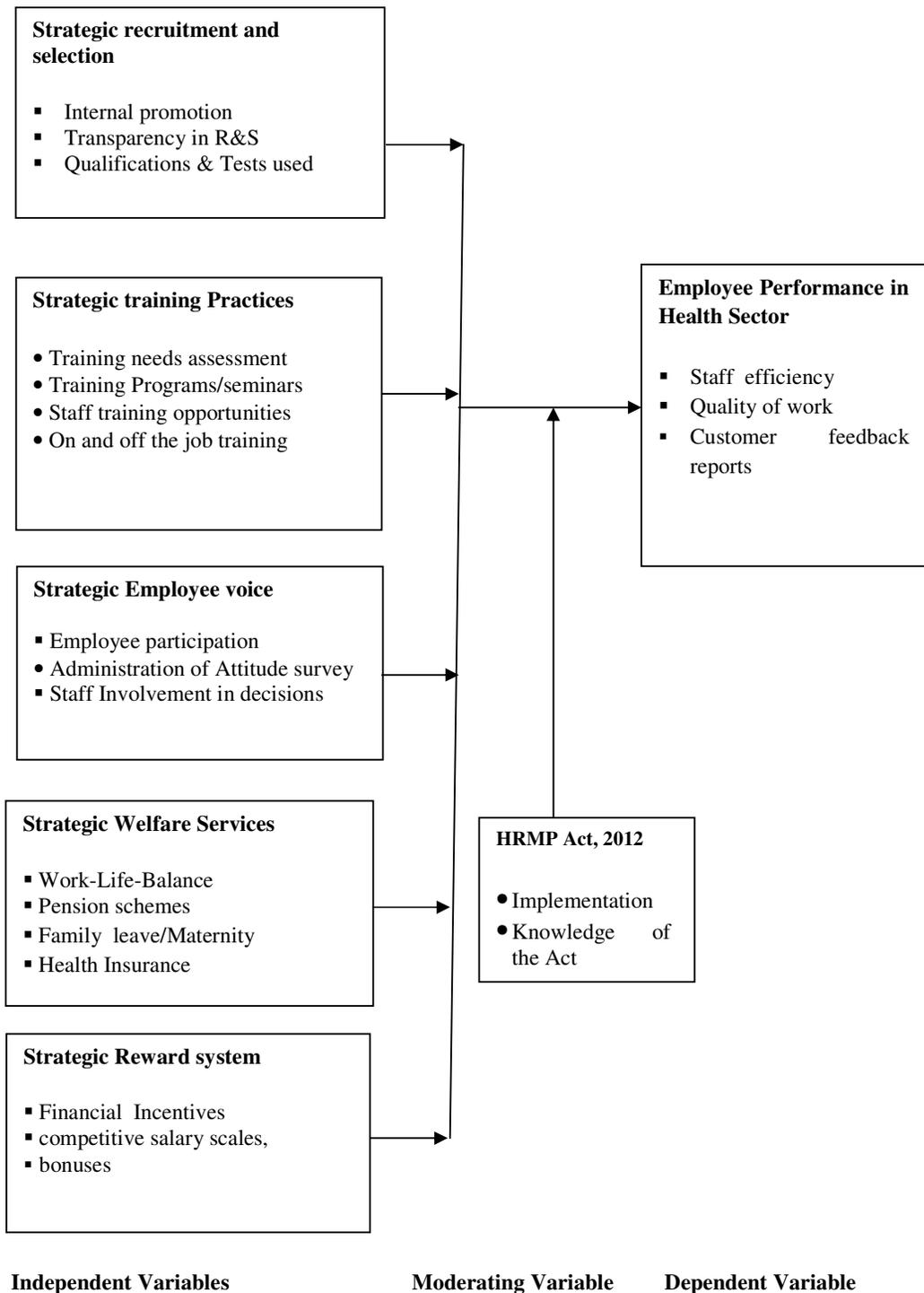
among the practices. For instance, training programs principally may be targeted at developing the requisite skill base, but may also communicate a commitment to the employee that elicits motivation as well, which translates into employee performance.

This theory was found to be relevant to the county hospitals and entire health sector in Kenya. For instance, a county hospital that had not developed policies of training its staff in skill based areas was able to know that it demotivated their employees. The study also found out that, some County Hospitals paid competitive salaries and allowances to its employees which attracted qualified and retained talented, experienced employees in key and specialized areas (KMPPDU, 2015) cited by (Njoroge, 2015).

Some County Hospitals had very poor salaries and allowances and even the qualified and experienced staff were leaving the county hospitals for greener pastures elsewhere. Offering both financial and non-financial incentives for those who improved and performed better motivated behaviour and enhanced their performance and commitment to work. The hospitals which offered good welfare services like health insurance, pension schemes and involved employees in key decision making made employees accountable for their decision.

### **2.3 Conceptual Framework**

Conceptual framework gives a diagrammatic representation of linkages or relationships between study variables, (Robson, 2011). The dependent variable in this study was employee performance in health sector in Kenya. Independent variables as indicated were the key drivers or influences of the dependent variable and for this case it included; strategic recruitment and selection, strategic training , strategic employee welfare services, strategic employee voice and strategic rewards and compensation system. The moderating variable being the Human Resource Management Professional's Act, 2012.



**Figure. 2.1: Conceptual framework**

## **2.4 Review of Literature on Related Variables**

### **2.4.1 Strategic Recruitment, Selection and Employee performance**

Strategic recruitment requires that the organization be clear about critical skills and qualifications it needed in order to make a choice of the human resource on the basis of attributes that were difficult or impossible to acquire. It ensured that the right people, with the desirable characteristics and knowledge were in the right place so that they fitted in the culture and the climate of the organization. Strategic recruitment and selection looks for people with the right attitudes, values and culture, attributes that are harder to train or change and that in essence predicts potential employee performance and likelihood to remain with the organization (Cole, 2008). Accordingly, this was supported by Sabwami 2014, who argued that strategic recruitment and selection was a key practice that created profits.

According to Waiganjo *et al.* (2013) selective resourcing which is a key component of strategic recruitment and selection, influenced firm performance of corporate organizations in Kenya in the manufacturing sector. The researcher also found that recruiting and selecting the right employees increased employee performance and effectiveness, and contributed to employee retention in the organization. Cole *et al.* (2008), on the other hand, examined pre-employment tests as a key component of selection and the researcher found out that when employed, these tests selected employees that stayed with the organization longer and had the potential to perform.

Passing employment tests gave an applicant a stronger sense of belonging and increased the degree of commitment to the organization when implemented. According to Huselid *et al.* (2011), cited by Sabwami (2014) a possible indirect link between strategic recruitment and selection and employee performance was the forging of internal link between employer and employee which then created the right culture for employee performance. According to Paul and Anantharaman (2003) a strategic selection and recruitment process ensured that the employees with the right qualifications were identified and selected. This led to production of quality products by the employees.

A stringent Strategic R&S system gave those employees who were selected a sense of elitism, imparted high expectation of performance, and conveyed a message of their importance to the organization, Pfeffer (2006), cited by Sabwani (2014). Strategic recruitment and selection is about matching human resource to the strategic and operational needs of the organization where it kept the number and quality of employees required. According to Mutembei *et al.* (2014) in their study on staffing process, they found that strategic recruitment and selection positively correlated to employee performance as it brought to the organization employees who matched the abilities of the present human resources and fitted into the existing interpersonal structure, which in the long run lowered training costs. And Chand and Katou (2007) demonstrated that strategic R & S, were strongly correlated with profitability and suggested that management of an organization focus on those methods of recruitment, policies, and selection tests for improved employee performance.

#### **2.4.2 Strategic Training and Employee performance**

According to Tzafrir, (2005), Strategic Training is an important element in producing highly skilled human capital. Investing in training programmes made employees feel indebted to the organization and contributed to their retention. ST enhanced an organizations specificity of employment skills, which was exhibited in increased employee performance and overall organizational performance. It then implied that employee dissatisfaction and turnover was minimal. When an organization strategically trained its employees, the cost of selecting, recruiting and internalising outsiders was reduced, leading to increase in their performance in the given organization (Mbugua, 2015).

According to Wallen *et al.* (2013), training is administered in two ways; on the job training where employees were given training while at their place of work. This is a simple and cost effective way of training. Both employees that are not proficient and those that were proficient can be trained using this method. The method embraced learning by doing. For example it could be done through job rotation, job enlargement and coaching.

Off the job training was another method where employees were provided with training away from their working place in the form of, For example, seminars, workshops and conferences. The method was costly to an organization, but when training a large number of employees, it was cost effective. According to Budhwar (2007), strategic training has a positive effect on quality of work, influenced participant's knowledge, enhanced organizational based self esteem and in turn increased employees' performance. Accordingly Wright (2006) emphasized that strategic training is a critical subscriber to a corporate strategy premised on nurturing the rational capital. It developed administrative aptitude that permitted workers to account for individual professional progression where it translated to increased employee performance.

According to Denby (2010), Strategic training ensured that there is professional faculty mandatory to effectively implement a strategy of growth in an organization. It is the processes that enabled people to procure new information, acquire emerging skills and improved on completion of tasks. It helps an organization craft a labour force capable to handle transformation, conformed to the growing clients' demands and fixed its prospective leadership. Employees are enabled to maintain standards, improve their competence that lead to their increased performance.

According to (Hall *et al.*, 2013), one of the main goals of strategic training programs was to build strong, competent and qualified personnel whose work performance could be felt in both private and public sectors. The core of any organization was its human capital; therefore the strength or weakness of the capital was reflected in their performance at the workplace. According to Magiri (2009) improving public service and quality of its delivered services was strictly contingent on the effectiveness of strategic training programs and specificity that were provided to its employees. The importance of the use of SHRM, the case of strategic training on employee performance was also strengthened by work on learning organizations as argued by (Magiri, 2009).

According to Ngeno (2014), upgrading employees' skills and knowledge, puts them in a better position to produce high-quality products and services in the most cost-effective way, they adapted to change and it increased their contribution to their work through product or process innovation. Employees were prepared for increased responsibilities, saw value in strategic training as it helped them progress in their careers and enhanced their capacity for continuous improvements. According to Ivancevic *et al.* (2007), managing workers strategically required administrators to commit time, cash and devotion to train and develop the entire staff. Thus, strategic training practice was a necessary prerequisite for empowerment of employees to work. Conversely, investing in the training and development of employees would be of limited benefit if their jobs and roles were structured in such a way as to deny them the opportunity to put their knowledge and skills into practice. This was what made empowerment very significant.

According to Nankarvis *et al.* (2009) strategic training not only equipped employee with most of the knowledge and skills needed to accomplish jobs, but it also helped them achieve overall organization objectives by contributing to the satisfaction and productivity of employee and the organization at large. According to Waiganjo *et al.* (2013), extensive training captured the creativity of employees and increased their skills. In a study in America on the impact of human capital investments such as employer-provided training and development, Black and Lynch (2001) citing Bartel, (1989) found that returns on training and development investments increased productivity by 16-19% and enhanced employee performance. Training needs and how they were assessed, coupled with the criteria for selection and types for training like orientation, job training and career development were also implemented.

The study also found out that formal training in comparison with informal training was more effective and significantly associated with employee performance. According to Denby (2010), strategic training is a continuous process, one that is constantly refreshed and renewed according to the needs and requirements of the individuals. The Scholar encouraged organizations to revisit the contents after training. Accordingly Amaoka (2013) the framework for reshaping attitudes of public organization employees must involve staff training and development. The scholar emphasized that traditionally, training programmes had a skill-based focus,

but recent trends in customer-oriented Civil Service required an attitudinal-focused training. This had led to the need for strategic approach to training in order to develop the capacity of public servants for the improvement of service delivery. This study established that the County Hospitals needed to invest in their employees in order to equip the general health workers and their administrative managers with necessary skills to establish them to handle new responsibilities, develop skills for customer oriented county hospital service, improve the standards of performance; adapt to new technology and new working techniques. The study also established that county hospitals had equipment like Cancer screening equipment, but staff to operate them were lacking. And the ones who were there were not adequately trained to operate them.

It was also established that the inherited staff from the former county councils were ill equipped and needed to be go through skill training i.e. on the job training to adequately perform in their respective areas. Human resource for health (HRH) managers in the county hospitals governments were not professionally trained, or had not implemented HRMP Act or were not registered with the IHRM, that study established that there was need for training of these managers for better and professional management of the county hospitals that will translate in quality work, improvement of performance and good customer feedback.

### **2.4.3 Strategic Employee Voice and Employee Performance**

Employee voice was increasingly important in the modern workplace. Having a voice was crucial for organizations and much as for the employee. Voice was one of the enablers of employee engagement and it significantly impacted on Employee performance. But employee voice remained both little understood as a concept and under-utilised in the world of work, (Anyango, 2013). According to (Boxall & Purcell, 2011), employee voice entailed various kinds of opening where employees could air their views and influenced workplace decisions. Employees were able to speak up on important issues, within an organization.

According to Gonzalez (2009), employee voice was defined in different ways.; firstly there was the individual dissatisfaction that was usually brought up by line

managers or through grievance procedures; the second definition states that it was an expression of collective dissatisfaction voiced by trade unions through collective bargaining or industrial action; third definition was that it was a contribution to management decision making process through communicating upwards, problem solving, suggestion schemes and attitude surveys; and finally, through collective and mutual partnership agreements, joint consultative committees and work councils. According to Morrison (2011), employee voice was discretionary communication of ideas, suggestions, concerns, or opinions about work-related issues with the intent to improve employee performance and successful organization.

While Armstrong, (2009) viewed voice, as the expression of employees perceived their workplace which included involvement, participation, problem solving and communication. Anyango (2013) argued that employee voice was a way of making employees an integral part in the organization and it had a direct bearing on their performance. According to Stueart and Moran (2007), when employees are treated as stakeholders in the organization, outcomes of improvement in performance was exhibited. Staff that had developed significant firm-specific human capital and had invested in the organization earned voice or were able to speak up on important issues just as shareholders. When employees are allowed to speak up on important issues in an organization, their performance positively improved as the speaking up provides a rationale for further emotional and human capital investment. Morrison, (2011) suggests that there existed a link between job satisfaction and employee voice. According to Mueller (2012), employee voice in organizations impacted on quality and productivity of employees and inhibited issues that might explode.

When employee voice was embraced in organizations wholly, it superseded the reporting collective schemes. Therefore it was important that the extent of speaking up of employees within an organization be known as it was believed to affect their performance. According to Hall *et al.* (2013) employee voice took the form of joint consultation which involved managers and employee representatives meeting on a regular basis for exchange of views, made good use of members' knowledge and expertise and dealt with matters of common interest. Therefore trade unions in organizations represented the workers and their grievances in management meetings. Scholars like McCabe *et al.* (2008) brought to fore major areas that trade unions

handled. These were matters relating to work environment which comprised staffing of employees, overtime and general working condition of staff in the organization. Other matters related to pay such as inequitable pay, inadequate benefits and non-competitive pay. Unions also handled matters of unfair treatment, disciplinary issues, harassment and abusive treatment, job insecurity and lack of response to complaints. Finally they also addressed matters concerned with management style such as fear, intimidation of employees, and lack of recognition in decision making process. According to (Armstrong, 2009), Trade Unions had two major roles, namely; secured improved terms and conditions for their members and to provided protection, support and advice to their members as individual employees. The other roles included providing legal and financial services to members whenever appropriate. The voice exhibited in trade unions enhanced employee performance by bringing a conducive working atmosphere within an organization.

According to Bernardin (2008), when unions talk on issues that concerns staff, the matters voiced are used to develop rules that governed employees themselves. Employees normally joined or formed unions depending on the beneficial factors that were realised. The unions achieve better wages for members, improved working conditions which is beneficial to the unionisable members and boosted their satisfaction. According to (Armstrong, (2009), management are to believe in employees and involve them in key matters that concerned the organization. Management can also use attitude surveys that gave information on what employees preferred, gave warning of potential problem areas and solved causes of issues.

The tool can also be used to compare levels of job satisfaction. Attitude surveys examine a variety of attitudes and behaviours, such as beliefs, opinions, values expectations and satisfaction. Examples of surveys can be done through interviews, use of structured questionnaires, combination of questionnaires and interviews and also through focus groups (Gonzalez, 2009). Exploring employee attitudes at work is important in creating an environment that is conducive for staff motivation. This then translates into positive performance, (Kubaison *et al.*, 2015). Other modes of voice were Suggestion schemes. These were established procedures for employees that helped them submit ideas to management with tangible recognition for those

suggestions with merit. They were known to reduce feelings of frustration where employees felt they had good ideas that were not recognized in the formal channel of communication, (Armstrong, 2009). Organizations however were advised to put in place committees that vetted suggestion in order to pick only what was appropriate. (Armstrong, 2009).

According to Kagaari, (2013), participation is another mode that employees used to speak up. It is demonstrated when an employee plays a greater role in the decision making process. Management have to give employees the opportunity to influence management decisions, where the staff can contribute to the improvement of organizational performance. According to Biswas (2007), Involvement, is when management allowed employees to discuss matters that touched on them in order to enhance organizational commitment. Direct participation takes place in self – determination, and goal setting plans by individuals, while at departmental level employees are formed into quality circles, and work-in-groups.

At the organizational level, the use of dialogue conference where employees are invited to offer their input to the planning and realization of the organization's strategy is widely used. Indirect participation can be in form of unions where employees are represented (Juan *et al.*, 2007). Employee participation is one of the key pillars that are used to strengthen and enhance both the employee and the organization (PSCGT, Private Sector Corporate Governance Trust, [PSCGT], 2002). According to Kubaison, (2015), most common forms of direct participation include employee attitude surveys, problem solving groups' quality circles and decision making work teams. New forms of participation like briefing groups, suggestion schemes are embedded in a term employee involvement or employee empowerment. Employeeare also done through communication channels within an organization (Juan *et al.*, 2007).

Armstrong, (2009) cites the conceptualization mode of participation which particularly identify all the relevant aspects of voice. This is done through four factors i.e. The degree of involvement, the cycle of influence of decisions open to workers, the level at which workers (or their representatives) were involved in management decisions, and the different forms of voice. Several studies carried in UK, Australia and Canada revealed several ways of how employee voice was expressed; voice as communication and exchange of ideas. Through collective consultation processes, upward problem solving which was a chance for workers to give their feedback on certain topics. These matters were not as a dialogue but as a way of providing ideas to increase employee performance in the organization, (Ojukuku *et al.*, 2014).

According to studies carried out by (McDuffie & Pil, 2010), it is revealed that allowing employees to participate in decision making leads to increase in motivation, and job performance. Studies reviewed by Ojukuku *et al.* (2014), revealed that employee participation in decision making be recognised as a managerial tool for improving their performance. This is achieved by letting employees' input in developing the mission statement, establishing policies and procedures, pay determination, matters to do with promotion and even matters concerning employee benefits.

The study established that Kenya Medical Practitioners Pharmacists and Dentists Union (KMPPDU) and Kenya National Union of Nurses; (KNUN) are the major voice that the health employees use to air their concerns or grievances. The study also established that health workers in the county hospitals are members of KMPPDU and KNUN which was the main unions for medical staff. It was also established that the union have voiced a lot of concerns in regard to the challenges that the health workers face. The union have also put in place structures like signing of CBAs which when honoured improved their staff performance. It was also established that human resource function for health workers are handled by County Service Boards of individual county governments which is the biggest impediment to employee performance.

The constitution of Kenya had also put emphasis on participation as it strengthened democracy and governance. This is an area when made more representative, allowed employees to exercise their constitutional rights in the decision making process. It increased accountability and transparency whenever there is critical and constructive engagement in all areas of employee welfare. Participation also improved process quality and results in better decision where opinions and concerns are raised that enhanced process legitimacy.

#### **2.4.4 Strategic welfare Services and Employee performance**

This is a total concept that encompassed a desirable state of existence involving physical, mental, moral and emotional well-being of an employee. According to Stratton (2009), welfare services are a financial or other assistance offered to an employee or family by an organization. Employee welfare is a comprehensive term that included various services, benefits and facilities offered to them by employers. The welfare measure could either be in monetary or non-monetary. Some of the various welfare services included; allowances, housing, transport, medical insurance, pension schemes, family leave and canteens, sick days, child care programs, financial assistance, educational (Igat *et al.*, 2014).

Fee benefits, wellness programmes, medical insurance and workers compensation programs. Through these facilities and services, employee performance is enhanced, Stratton, (2009). Child care programs help attract and retain employees that had young children. Organizations that put in place a child-care centre within the work premises minimised stress that is brought about by rearing tender age children and it immensely increased productivity, gives the worker security to work and improves their performance (Okumbe, 2010). Transport benefits in form of transport allowance, car allowance, company car or van pooling is very important in the performance of the employee. An organization that provided an employee with a company car increased his or her performance and prestige. This had an emotive impact on the employee as it is considered prestigious. Van pooling is also very popular with companies; they provided a van that could be used by a number of employees at the same time.

Employers who provide transportation benefits eased movement among the employees which leads to employee satisfaction and performance (Okumbe, 2010). Most organizations provide welfare facilities to their employees that keep them highly motivated. Employers understand that stress free staffs is a major asset to the organization and therefore provided welfare services and programmes which are concerned with the total well-being of the staff both at work and at home. According to Kuria (2012), employee welfare programs rested mainly on the abstract ground of social responsibility on organizations for employees that worked for them. They needed highly performing employees for them to realise their goals in the delivery of services and it increased their competitive advantage.

According to Okumbe (2010), an organization that was genuinely interested in the welfare of its workers was concerned about creating a positive work environment where individuals recognised that they were valued, it then boosted their performance. Medical insurance coverage was one of the welfare services that enhanced employee performance. Due to the high cost of hospitalization, surgical and maternity care, it had become necessary that employees be cushioned against these costs putting in place Medical insurance. Employees with medical insurance were more likely to be satisfied with their work and with the employer which then eventually translates into effective performance.

Studies carried out by several researchers affirm that relationship existed between welfare services and employee performance. According to (Masinde, 2011), in a comparative study carried out on the effects of social welfare facilities on employee motivation in Pan African Paper Mills and Mumias Sugar Company, the study established that facilities provided to employees were a strong motivational element that enhanced employee performance. Kuria, (2012), carried out a study on the effect of employee welfare programmes on job satisfaction of employees within the flower industry in Kenya. The study established that the welfare services like insurance, maternity leave, and leave allowance provided by the flower industry had a positive effect on employee performance.

#### **2.4.5 Strategic Reward System and Employee Performance**

The strategy for reward IS an affirmation of resolve that described what the business purposes to execute, cultivate and enforce policies, patterns and procedures that advanced the realization of its corporate objectives and conformed to the shareholders needs. According to Katua *et al.* (2014), behaviour in employees needed to be motivated in an organization through strategic reward and compensation. According to (Oluoch *et al.*, 2013), a strategic reward system is comprised of four components which include; rewards that needed to fulfil the fundamental needs of all employees. These rewards ought to be systemically incorporated and correspond to the others provided by a private enterprise in a similar sector. These rewards ought to be accessible to people in similar status and the distribution conducted in a fair and equitable manner. The scholar went on to state that organizations which upheld certain behaviours and performance in employees, usually used rewards and compensation to reinforce them for continuity.

According to Armstrong (2010), reward and compensation practices increase employee skills and attitudes, promoted positive attitude and increased motivation. When this happens, improvement in employee performance was realised. Benardian (2008) argued that an organization's policy and patterns for rewards workers was imperative in enforcing a scheme. A firm that espoused a policy for rewarding staff that was reliable and one that underpinned its approaches was most probably to enforce those schemes than an organization that embraced reward policies that were discrepant with its overall strategies.

According to Zakaria, (2011), a reward strategy enhanced commitment, retention and employee engagement that eventually translated into employee performance. Paying for performance was a huge concern in current HRM. Establishments had long thought that efficiency improved after pay was connected to performance. While payment by outcomes schemes and inducements are established to back the belief. Researchers have also established a positive nexus between performance-related pay and staff productivity. According to Armstrong (2009), rewards proved to employees that the behaviour they exhibited was fitting and must be replicated.

Various researchers have strongly ventilated on the essence of team enticements. For instance, Dessler (2013), asserted that corporations that bestowed trust on teams to handle their task cultivated plans for incentive that promoted team effort and emphasised team member's devotion to performance. According to Goel (2008), cited by Ngui (2014), compensation that was premised on performance effectively motivated and relayed a strong communication that extraordinary levels of an employee productivity was expected and had to be rewarded.

An empirical study by (Hall *et al.*, 2013), proved that incentives increased the value people attached to work goals. Rewarding people for exceeding targets motivated them to spend more time on the rewarded tasks which lead to heightened interest and satisfaction. It also appeared to strengthen self-confidence and employee loyalty. Well-designed and implemented reward systems increased employee motivation, commitment, cost effectiveness and congruence (Snelgar *et al.*, 2013). In support of the above findings, empirical evidence adduced by Uzman, (2010), on categories of rewards those employees consider to be most important of South African employees, found that 95% of the workers who participated in his study confirmed that adequate rewards like salary and bonus pay induced employees to attain their desired results.

A study carried out by Duberg and Mollen (2010) on reward systems within the health and geriatric care sector. The study sought to find out whether the reward systems affected the quality of healthcare. And how the systems were designed, and what their effects were on quality of health services provided by employees. Six (6) heads of both private and public organizations were interviewed. The study found out that salary was an important aspect in the reward system; however incentives like bonuses and shares were seen to generate an enjoyable workplace with happy workers. This motivated employees and improved their effectiveness.

#### **2.4.6 Employee Performance**

According to Armstrong (2010), performance was both behaviours and results. Behaviours emanated from the performer and transformed performance from abstraction to action. Not just the instruments for results, but behaviours were also

outcomes in their own right, the product of mental and physical effort applied to tasks. Employee performance comprised of actual results of an employee as measured against its intended goal (Cheruiyot *et al*, 2013). According to Cole, (2008), employee's performance was measured against the performance standards set by the organization. The scholar continued to state that performance was the achievement of specified task measured against predetermined or set standards of accuracy, completeness, cost and speed. According to Armstrong, (2009), in human resource management discipline, different views were given on indicators used for measuring performance.

These were; quality that could be measured by percentage of work output that were to be redone or could be rejected; customer satisfaction that could be measured by the number of loyal customers and customer feedback. Another indicator was timeliness which was measured in terms of how fast work was performed by the employee when given a particular job; achievement of objectives measured when an employee had surpassed their set targets and were considered to have performed well. In every organization there were some expectations from the employees with respect to their performance. And when they performed up to the set standards and goals and met organizational expectations, they were believed to be good performers. This meant that effective administration and presentation of employee's task which reflected on the quality desired by the organization could also be termed as performance. According to (Dessler 2011), employee performance was an individual measurable behaviour which was relevant for organizational goal achievement.

Employee performance went beyond the individual factors that included external factors such as reward motivation and work environment. Their performance was measured under four dimensions; quality, quantity, dependability and work knowledge. According to Apiah *et al*. (2010), an employee's performance was determined during job performance reviews. Contextual performance referred to activities which did not contribute to the technical core but which supported the organizational, social and psychological environment in which organizational goals were pursued. Contextual performance was predicted by other individual variables.

They included behaviours which established the organizational social and psychological context and helped employees to perform their core technical or task activities. According to Sabwami, (2014), low performance and not achieving the set goals could be experienced as dissatisfying or even as a personal failure. High performers got promoted more easily within an organization and generally had better career opportunities than lower performance.

The study by Baloch *et al.* (2010), measured the impact of three HR Practices which were Reward and compensation practices, training practises and performance evaluation practice on perceived employee performance. The results of correlation indicated a significant relationship between these practices and employee performance. This study established that county hospitals needed employees who were equipped with skills, knowledge and competencies coupled with right qualifications for the execution of their planning strategies. Their survival were contingent upon highly productive employees, and the County Hospital's ability to fore-know their hospital needs, health worker's needs. The high performing employees could gain the hospitals a competitive advantage. This was supported by (Ismail *et al.*, 2014 ; Majid, 2015) who indicated that high performing workers who were handsomely rewarded steered the success of their organizations.

#### **2.4.7 Human Resource Management Professional's ACT 2012 and Employee Performance**

Strategic human resource management handled the management of employees within an organization. Many organizations world over were engaging in the transformation of their workers into a source of competitive advantage. The organizations that had human resource departments had to be competent enough to handle the task of transformation. The significant of HRM in organizations in Kenya prompted the government to enact a law that would govern the Human Resource Management Profession.

President Mwai Kibaki ascended to the Bill and made it mandatory for all HR practitioners to be licensed. All practicing HR professionals were given a period of one year to acquire certificates after they attained the required knowledge, skills and

experience (HRMP Act.2012). This Act was enacted and gazetted in January, 2013. It was a requirement that all practicing Kenyan HRM practitioners got certified in order to practice. The Human Resource Management Professional's Act, (HRMP Act) regulated the entry, conduct and competence of HR professionals in the Human resource management profession. Disciplinary measures were also embedded in the Act for those HR professionals who failed to conduct themselves as required by the Act's Law. Under this Act, the Institute of Human Resource Management (IHRM) was mandated to register HR professionals and maintain high governance standards within the profession. It also issued practicing certificates and governed the entry, conduct and ethics of HR Professionals.

Some of the functions of the institute were promotion and development of professional standards of conduct and competence for HR Practitioners; collection and dissemination of information on HR issues, trends and challenges, promotion of HR research; undertaking national advocacy on HR matters, establishment and development of strategic partnerships with other national and international bodies concerned with HR management. Establishment of HRMP Examination Board was also provided for under the law. The board drew up curriculum, set and administered examination for HR practitioners, enforced rules of the examinations and issued professional certificates to those who satisfied the examination requirements. HR function was one of the functions that were devolved to the county governments. It was charged with recruitment and selection, training and development practices, employee relations, welfare services, reward management systems and participating, (Constitution, 2010).

The human resource professionals or officers in the health sector were also governed by the HRMP Act. This Act was to help them instil professionalism and streamline the HR function in the sector at the county level. The Act was meant to mainstream and recognise the function of HRM in the government departments and at the same time an objective to weed out quacks in the area of human resource function (Apwoka *et al.*, 2015. The study established that some HRH professionals in county hospitals had not subscribed to the HRMP Act. In some county hospitals, they just heard of the Act for the first time.

## 2.5 Empirical Review

A study carried out by, Singh (2004) investigated the relationship between six HRM practices and firm level performance in India. 359 firms were drawn from firms listed in the Centre for Monitoring Indian Economy (CMIE) database. Of these 359 firms, 82 responded positively to the survey. Using regression and correlation analysis, the study found significant relationship between the two HR practices, namely, training and compensation, and perceived employee performance that led to market performance of firms. A study by Waiganjo *et al.* (2013), using multiple regression analysis, data was analyzed from 210 organizations across 12 key industrial subsectors in the Manufacturing sector in Kenya.

The study sought to determine whether competitive strategies had any relationship between SHRM and firm performance of corporate organizations in Kenya. The study established that, selective resourcing, incentives, extensive training, information sharing and use of teams and decentralization has a positive influence on the performance in the Manufacturing industry. Further competitive strategies; cost lead HR strategy, had no moderating effect on the relationship between SHRM and performance while quality lead HR strategy and innovation had influence on relationship between SHRM and performance. A study by Eshun and Duah (2011) carried out to ascertain whether rewards motivated employees, to identify what kind of rewards employees considered most beneficial and to discuss the dilemmas and difficulties managers faced in applying AMO Theory to workplace.

The study analyzed 20 interviews with people in various positions and organizations in the Accra and Tema Municipalities of the Greater Accra Region, Ghana. It was found out that while the use of rewards was important in motivating employees, there was need for management and employees to have a clear understanding of the human nature and what actually motivated employees. In a study carried out by Atambo, (2012), on the relationship between employee recognition and individual performance at Kenyatta National Hospital, using cross-sectional survey design to obtain data on a target population of forty (40) different cadres of staff. Data was collected using a survey questionnaire and statistically analyzed using SPSS. The study established that career advancement opportunities, compensation and

recognition strategies translated in improved employee performance. In a study carried out by Alam *et al.* (2013) on SHRM Practices and its impact on Employee Performance, of Cement Industry in Bangladesh, India. The researchers investigated the impact of various components of SHRM practices on Employee Performance; a sample of 160 employees from seven companies listed in Dhaka Stock Exchange was used. Data was analyzed by a regression analyses and the result showed that compensation and employee participation had a positive impact on employee performance. Moreover, work life balance improved the quality of service in the cement industry.

In another study, Gray and Shasky (2007), also using multiple regression analysis examined the impact of strategic HRM practices on the performance of state Governments agencies. The results showed that when organizations employed such personnel practices as internal career ladders, formal training system, result-oriented performance appraisal, employment security, employee voice and performance-based compensation, they were more able to achieve their organizational goals and objectives. In a study on the status of strategic human capital management in County Government by (Sowa *et al.*, 2012) in North Carolina. The study sought to interview HR directors from six counties in New York and North Carolina. It sought to find out if SHRM practices were being implemented in the counties and the level of adoption and if the county governments engaged in the strategic practices for improvement of employee performance.

Results showed that the adoption of the SHRM practices were ongoing and had a positive influence on the employee performance in the said counties. In another scenario, a study of researchers totalling to 40 interviewers conducted their interviews on 1200 hospitals in European counties that included Canada, UK, France and USA. This team collected statistical evidence on employee performance in the hospital. They found that a strong relationship existed between specific hospital management practice scores and specific hospital outcomes.

The HRM practices adopted during this research are those establishing how well the hospital operational system like training, reward systems, welfare, participation and talent retention are managed to improve employee performance. The research found out that the hospitals that practiced high and specific management practices, has put in place better working conditions, good equipment and also high levels of patient - customer satisfaction feedback programs and better management of finance.

## **2.6 Critique of the existing literature**

According to Wright *et al.* (2005), human resources could indeed be a source of competitive advantage. They could clearly add value to an organization. Valuable human resources were also rare to the extent that knowledge, skills and abilities were normally distributed in the population. An organization's human capital could also be inimitable to the extent that the capital develops a unique history and culture within the organization. The focus on organizational resources was very significant to SHRM research as it represented a shift in focus from simply the HRM practices to the actual human resources of the organization. i.e. an organization did not gain a competitive advantage from HRM practices, but rather from the human resource that it attracted, trained and retained.

The AMO theory emphasized that productivity must be improved by employees whenever the prevailing job atmosphere offered the needed support (Musah, 2008). A business may espouse extraordinary strategy for commitment that could include employment exercises, rational compensation, and planned training to enhance employee's performance that could enable them have a high commitment and motivation. This means that organizations would recognise the highly committed employee for training which gave those with high ability and motivation priority over those with low ability and motivation. According to scholars (Dessler, 2010; Armstrong, 2009), motivation was one of the complex areas of a human resource officer. This was attributed to the fact that, motivation was intricately complex to be seen or known in a different individual; rather it had to be anecdotal in one's behaviour (William *et al.*, 2008). Another area was that, staff motivation was dynamic and changed continuously.

As such, what stimulated one worker may not necessarily inspire another (Armstrong, 2009). In Nigeria, for example, the facilities which elevated the rate of turnover implied that the national civil service incentive structure was not meeting its objectives of heightened facility level teamwork and stability, despite the human resource management having been fully devolved to its local governments.

## **2.7 Research Gaps**

Investigation on the effect of HR strategies on performance of Commercial Banks in Kenya found a positive correlation between SHRM and employee performance in commercial banks. Ngui (2014) in the study established that programs for training, participatory work surroundings, recruitment and selection and inducement had positive significant effect on employee performance. The study recommended that additional study in the areas of strategic human resource management practices on organizational productivity be carried out as it would be valuable to understand the impact that the practices had on employee performance and management process for enhanced productivity in organizations.

A study by Simiyu (2014) looked at the influence of HR function on employee performance in devolved governments a case of Mbagathi hospital and called for further studies to be undertaken in Kenya for generalization of the findings of the study. The researcher also noted that the variables in the study accounted only for 69% influence on employee performance and called for further research on other factors specifically in the Health Sector in Kenya which could include employee voice, lack of enough finances, welfare services to employees and leadership styles. Mwakesi, (2014) investigated factors hindering professionals from achieving hospital goals at Moi Teaching and Referral Hospital, Kenya. The study findings revealed that the health professionals recruit or work with HR personnel to help them manage the hospitals better.

The study also established that the factor of playing double roles took most of their working time hence less was achieved in terms of performance by the health professionals. It recommended that the education system in Kenya develop management curriculum for health professionals to help them handle their tasks in health sector incorporating HRH for management purposes. According to Muchomba (2014), it was not only funding that impacted on health outcomes and service delivery. But rather having the right governance and accountability structures as well as managerial capacity, these were believed to have a stronger impact on performance. The study noted that managerial capacity was a prerequisite for devolution to achieve its goals. The study recommends that the success of devolution of healthcare would require strategic approach in order to realise the benefit of new governance dispensation.

The study recommends that county government hospitals adopt effective remuneration system that enhanced employee performance and motivation for better productivity. And that a study should be undertaken to establish the impact of devolution on the productivity of the staff in the health sector. A study by Cheruiyot *et al.* (2013), looked at the challenges of devolving HR function in Kenya and specifically Nakuru County, the researcher recommends that central government provide framework of creating awareness and information related to the significance of devolved HR function in Kenya.

The researchers found evidence of all the major challenges that affected devolution of HR function recruiting unqualified staff, lack of training, low morale due to no promotion. The study established that lack of line manager's HR skills, apathy towards HR, complaints about increasing workload, inconsistency and new dimension of ethnicity. The study recommends the central governments provide frameworks for creating awareness and information related to significance of devolved HR function. The study also recommends similar study to be carried out in other counties in Kenya to establish the challenges affecting employees at workplace. In his study, Anyango *et al.* (2015) looked at the meaning and application of Employee voice in organization and recommends that further research be carried out on the significant of employee voice on employee performance in the

devolved health sector. This could help employees understand the importance of speaking up for their rights.

Apwoka *et al.*(2014) investigated the influence of Human Resource Management Professional's Act on performance of the HR Function in Nakuru County and specifically looked at training. The study recommended that a study be carried out in all counties to ascertain the existence and implementation of training programmes and their effect on employee performance. While a good number of empirical evidences established the link between various types of rewards and compensation and employee performance. (Mensah & Dogbe 2013, Sajuyigbe *et al.*, 2013), research on the effect of performance-pay, organizational benefits, bonuses had eluded the researchers, and especially in the context of devolved health sector in county governments in Kenya. The study recommends that a study be carried out on the influence of HRMP Act on the county governments HR Professionals and establish its implementation.

Several studies have also been carried out on state corporations in Kenya, Sabwami (2014), Waiganjo *et al.* (2013), on Manufacturing organizations in Kenya, Mutua *et al.* (2012), on HRM and performance of financial cooperatives, and Midida, (2014), on Civil service in Kenya and Wanjau *et al.* (2012) on provision of service quality in public health sector a case of Kenyatta Hospital. From the above studies none has been carried out on Influence of strategic human resource management on employee performance in the health sector in Kenya that involves all the county's public hospitals. The researcher targeted senior management who were interviewed while the remaining responded through the questionnaire.

The study also noted that the County governments hold the key to the development of the entire country and improvement of its peoples' lives. The functions of human resource management are embedded in Chapter 6 of the Constitution of Kenya, 2010, and also Public Service Commission guidelines and Framework (2014) and public service on Human resource polices for public service Report (2016) are therefore very significant and need to be implemented exhaustively.

Several studies have been carried out in Kenya which also included (Mutembei *et al.*, 2014) on Role of HRM strategy on organizational performance in Kenya, and the ones cited above but none of the studies focused on the influence of SHRM practices on employee performance of health sector in Kenya with the intervening variable of Human Resource Management Professional's Act 2012. It is against this background that this study identified this research gap and carried out this research.

## **2.8 Summary**

Strategic recruitment and selection, ensured that the right people, with the desirable characteristics, behaviors, knowledge and attitudes were in the right place and that they fitted in the culture and the climate of the organization (Cole, 2008). It was noted from previous studies that human capital was the greatest asset any organization had. From the literature viewed, it was established that pinpointing the right employees during recruitment and selection decreased the cost of employees' education and development. Additionally Strategic R&S looked for people with the right qualification, right skills, well trained with specific skills and attitudes that predicts employee performance and likelihood to remain with the organization, (Waiganjo *et al.*, 2013).

According to Waiganjo *et al.* (2013) selective resourcing influenced employee performance of corporate organizations in Kenya in the manufacturing sector. The researcher also found that attracting and selecting the right employees increased employee performance and effectiveness, contributing to employee retention. According to (Alande, 2013), Strategic training enhanced an organizations specificity of employment skills, which eventually increased employee performance, reducing turnover and dissatisfaction. When an organization trained its employees, the cost of selecting, hiring and internalising outsiders reduced, this then increased their performance.

According to Nankervis *et al.* (2009), strategic training would not only equip employee with most of the knowledge and skills needed to accomplish jobs, it also helped in the achievement of overall organization objectives by contributing to the satisfaction and productivity of employee. It was also found that it improved product

quality and service delivery that bore a symbolic significance in that it sent a signal to the workforce that they were valued in the organization and enhanced their performance (Khan, 2010). A welfare service encompassed a desirable state of existence involving physical, mental, moral and emotional well-being. According to Stratton (2009), a Welfare service was a financial or other assistance to an employee or family offered by an organization. It included various service benefits and facilities offered to employees by employers. An organization which was genuinely interested in the welfare of their workers got concerned about creating a positive work environment where individuals recognised that they were valued and this boosted their performance.

The welfare measure did not need to be in monetary form but rather in any kind or form. According to (Nyamwamu *et al.*, 2012), in their study on role of employee welfare on performance in the Police Force, the study found that a relationship existed between employee welfare and employee performance. The study established that employee welfare promoted economic development by increasing efficiency and Productivity with the underlying principle being making workers give their loyal service ungrudgingly in genuine spirit and co-operation. It also improved the general wellbeing of the employee. Employees who were provided with good housing, medical care and family leave were committed and loyal to their work which yielded good performance.

Literature reviewed established that, employee voice was determined in various constructs; Participation which was exhibited when staff were involved in decision making process. Management had to provide employees with an opportunity to influence key decisions which contributed to the improvement of the organization. Employees had to be Involved or allowed to engage in matters that affected them for purposes of enhancing their commitment and performance. They had to be involved by way of attitude surveys; suggestion schemes, co-determination; and two-way communication (Purcell *et al.*, 2012). There was evidence from the studies reviewed by (Ojokuku *et al.*, 2014) that employee participation in decision making could be recognised as a managerial tool for improving both employee and organizational performance.

It was found that voice made employees feel part of or belonging to the organization. This had a direct effect on employee performance. According to (Bhuiyan, 2010) allowing employees participate in decision making lead to an increase in motivation, job performance and the growth of the organization. Literature reviewed indicated that employee performance was influenced by career progression and reward system. In a study carried out by Otiende (2013), to establish the relationship between quality of life and employee performance of Kenyatta National Hospital employees, 68% of respondents cited quality of life as a major influence of employee performance.

It is noted that employees place a great value on different rewards they received from their employer. When employees did not receive any reward from their employer, their morale went low, this lead to poor work performance. In the county hospitals, we had different cadres and personalities of employees this called for different range of rewards needed to be in place for example; pay, time off, recognition, hardship and risk allowance, promotion, and bonuses. Health workers felt motivated and appreciated when rewarded.

The enactment of HRMP Act., 2012 was a law that required all human resource professionals to comply with the law's requirements. County's hospitals had human resource officers and those officers needed to comply with the requirements of the HRMP Act. This Act had been in force for three years the same period devolution had been in existence. This law was therefore meant to streamline the function of human resource management in the county's devolved health sector. Literature reviewed on devolution of HR function had mixed findings of either positive or negative outcomes.

Some scholars perceived devolution of functions as creating efficiency and effectiveness, moving services closer to the customers or people (Apwoka, 2015) Others perceived that devolution made HR managers more efficient and more problems being solved at lower level, which in essence was change management. But literature reviewed revealed that HRM in the hospitals had a lot of challenges and cited managerial short-termism, inconsistencies in delivering HR function, increased workload, lack of HR skills, increased costs, inadequate training and lack

of employee development. This was found to have a negative impact on employee performance (Cheruiyot *et al.*, 2013).

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter has discussed the systematic description of the various methodologies and techniques that were used in conducting the research. The following sections were discussed; Research design, target population, sample size and sampling frame, sampling technique, instruments, data collection procedure, pilot test, validity, reliability data processing, instruments used, data analysis and presentation. According to Kothari (2009), research methodology is a systematic way of solving the research problem and may be understood as a science of studying how research is done scientifically.

#### **3.2 Research Design**

Research design is the conceptual structure within which research is conducted; it constitutes the blueprint for the collection, measurement and analysis of data (Kothari, 2009). Descriptive research design is that design which is concerned with describing the characteristics of a particular individual, or a group. Specifically they are concerned with specific predictions, with narrations of facts and characteristics concerning individuals or situations. The main aim of descriptive research design is to provide an accurate and valid representation of the factors or variables that pertain or are relevant to the research question. This kind of research is more structured, (Creswell, 2012).

The study adopted cross-sectional survey research design which is a procedure in research whereby investigators administer a survey to a sample or to the entire population of people to describe the attitudes, opinions behaviours, or characteristics of the population. A cross sectional survey research design helped the researcher in unravelling the purpose of the study; the period of time over which the data was collected and the type of analysis. The design provided information in a short period of time, such as the time required for administering a survey and collecting information. Cross-sectional design allowed for the description of relationships

between variables under study which enabled the researcher collect and compare several variables in the study at the same time. The study also utilized both quantitative and qualitative research approaches that were ideal in collection of data through the instruments of questionnaires and interview schedules. Quantitative research approach was relevant to the study as it enhanced the collection of numeric data from a large number of respondents.

This approach was also instrumental with pre-set questions and responses, analysis of trends, comparing groups, and relation of variables using statistical analysis. It was also ideal in the interpretation of results by comparing them with previous predictions and past research, and in writing the research report using standard, fixed structures and in taking an objective and unbiased approach. While qualitative research approach enabled the researcher to explore the problem and developed a detailed understanding of a central phenomenon. The research used the literature review to play a minor role but justified the research problem. Data was collected based on words from a small number of respondents so that the participants' views were obtained. Data was also analysed for description and supplemented its interpretation by using qualitative data then interpreted the larger meaning of the findings.

### **3.2.1 Research Philosophy**

A research philosophy is the approach to understand and write the knowledge that is gained by conducting the research (Mackenzie *et al.*, 2006). According to Saunders *et al.* (2009) the research philosophy considers the role of the assumptions we make about the way the world works; what different philosophies consider as being acceptable knowledge; and the role of our own values and research paradigms. The philosophy that guided the research was *positivism philosophy*.

This is a philosophy that allows the researcher to make various assumptions. Such assumptions may include operating within agreed norms and practices as well as the idea that is possible to distinguish between more and less plausible claims that science may not provide all the answers, (Kothari, 2009 cited by Midida, 2014).

Saunders *et al.* (2009) affirms that through positivism the researcher is concerned with facts and not impressions. Since *Positivism* is the scientific method that is based on rationale and empiric of the research, various concepts like hypothesis and objectives formulated can be tested in its paradigm, (Burke, 2007). In the positivism paradigm, the researcher works with observable social reality, rationale and experiences to reach on end results of the research. *Positivists* believe that reality is stable and can be observed and described from an objective viewpoint, that is without interfering with the phenomena being studied (Lewis & Thornhill, 2009). They contend that phenomena should be isolated and that observations should be repeated.

### **3.3 Target Population**

According to Cooper and Schindler (2009) target population is a group of individual's objects or items from which samples are taken for measurements. The target population for the study comprised of 1428 permanent employees of the four level five (5) hospitals in county governments. They were Bungoma referral hospital, Kajiado referral hospital, Kangundo referral hospital, and Kakamega referral hospital. These were initially called District Hospitals. The respondents consisted of the senior management that included the hospital superintendents, Middle management, lower management and general members of staff.

There have been reports of poor performance of health employees in several county hospitals which included neglect of patients due to overworked staff, understaffed or low capacity, poor remuneration and promotion, as well poor working conditions. Strikes and calls for strikes have been the order of the day experienced in the health sector. This impacted on employees' performance. Secondly, devolved health sector is still relatively new in Kenya, issues of duplication of roles or functions by county hospitals and national hospitals was also cited, and this research sought to establish if this was the case and also contribute to the knowledge gap in this area.

Senior managers of the Level five (5) hospitals were targeted because they were the policy formulators/implementers and resource allocators and were also the ones that were in charge of human resource function in the respective hospitals. They were

implementers for county hospitals, systems and mechanisms for human resource for health (HRH) utilization, HR management and development and career progression practices, address hospital capacities. They also hold confidential and sensitive information of the hospital.

**Table 3.1: Target Population**

<b>Population category</b>	<b>Kakamega Provincial Hospital</b>	<b>Bungoma District hospital</b>	<b>Kangundo District Hosital</b>	<b>Kajiado District Hospital</b>	<b>Total</b>
Permanent Senior management	16	14	18	16	64
Permanent Middle Management	24	28	21	28	101
Permanent Lower Management	44	47	27	26	144
Permanent General members of staff	314	260	244	301	1,119
<b>Totals</b>	<b>398</b>	<b>349</b>	<b>310</b>	<b>371</b>	<b>1428</b>

**Source:** The Kenya Health Workforce Information System (KHWIS) (2015)

### **3.4 Sampling Frame**

According to Fowler (2009), a sampling frame is a complete total list of all the members of the population that the researcher wishes to study. The researcher sampled the respondents from four county public hospitals. The total number of respondents that were the source of sampling frame was 1428.

**Table 3.2: Sampling Frame**

<b>Population category</b>	<b>Kakamega General Hospital</b>	<b>Bungoma hospital</b>	<b>Kangundo District Hospital</b>	<b>Kajiado District Hospital</b>	<b>Total Sampled</b>
Permanent Senior management	1	1	1	1	4
Permanent Middle Management	2	3	2	3	10
Permanent Lower Management	4	4	2	2	12
Permanent General members of staff	30	26	34	30	120
<b>Totals</b>	<b>37</b>	<b>34</b>	<b>39</b>	<b>36</b>	<b>146</b>

**Source:** The Kenya Health Workforce Information System (KHWIS), (2015)

### **3.5 Sample Size and Sampling Technique**

#### **3.5.1 Sample Size**

The sample size was drawn from the four (4) county public hospitals selected for the study. To arrive at the four (4) public hospitals from the selected counties, the researcher used simple random sampling in picking the four counties. Purposive sampling was used in picking the public hospitals from the four counties for the study. Respondents of the study included Permanent (fixed term) of the cadres of senior management employees, middle management employees, lower management employees and general employees in the hospitals. This excluded those on contractual employment. Senior management members of staff were interviewed. While the middle management, lower management and general employees responded to the questionnaire. The sample size of 146 employees were selected for this study from the target population. This sample was chosen because it represented the entire population.

### **3.5.2 Sampling technique**

The study used a sample of 146 respondents. Both simple random sampling and stratified techniques were used. This meant that every individual within each stratum in the target population had an equal chance of being selected. The population in the study area was stratified into various categories to enable the gathering of data. Simple random sampling was adopted because the population constituted a homogeneous group (Kothari, 2009). The sample size was divided into four strata i.e. senior management, middle management, lower management and general staff. The sample which was selected from Bungoma county hospital was **34**, Kakamega county hospital **37**, Kajiado county hospital **36** and Kangundo county hospital **39** respectively. The sample was based on the proportion of permanent employees each county hospital had as they varied in population. This technique ensured that the hospital with higher population had more members in the sample. This represented 10% of the accessible population that is generally recommended by social researchers (Mugenda & Mugenda, 2003).

### **3.6 Research Instruments**

#### **3.6.1 Primary Data**

The main type of data used in the research was primary data which was collected by use of questionnaires. A questionnaire is a data collection tool, designed by the researcher and whose main purpose is to communicate to the respondents what is intended and to elicit desired responses in terms of empirical data from the respondents in order to achieve research objectives (Mugenda & Mugenda, 2008). The questionnaires contained both open-ended and closed questions.

A standardized questionnaire was developed that captured the variables under study, and for the independent variables, a modified questionnaire of Boxall, Woods and Huselid (2007) cited by Sabwami,( 2014) was adopted. This enabled the researcher to generate data on study variables. Both closed-ended and open-ended structured questionnaire were used in line with the study objectives. Structured questionnaires provided the researcher with an opportunity to get uniform responses from data for ease of reliability and consistency from various responses in different locations or

times (Sekaran, 2009). Closed-ended questions are practical since all individuals answer the question using the response options provided (Creswell, 2012). This enables a researcher to conveniently compare responses. To optimize objectivity, the questionnaires were filled by individual respondents.

According to Mugenda and Mugenda, (2003), this method provides a means for coding responses or assigning a numeric value and statistically analyzing the data. It also facilitates the work of tabulation and analysis after data classification through coding. According to Kothari (2007), using questionnaires is beneficial as they are low in cost even when the universe is large and is widely spread geographically, they are free from the bias and respondents have adequate time to give their views.

While open-ended questions are designed to encourage a full, meaningful answer using the subject's own knowledge and/or feelings invite more thorough answers, and encourage the respondent to divulge information and explain their emotions and behaviours more. Open-ended questions also tend to be more objective while fewer leading questions that are open-ended provide rich qualitative data. In essence, they provide the researcher with an opportunity to gain insight in all the opinions on a topic they are not familiar with. They often ask for the critical thinking and uncut opinion of the respondent. Open-ended questions can be useful for surveys that are targeting a small group of people because there is no need for complex statistical analysis. And also the qualitative nature of the questions gives the researcher more valuable input from each respondent. The rule here is the group must be small enough for the surveyor to be able to read each unique response and reflect on the information provided.

The main instrument of data collection was structured questionnaire on which the willing respondents were required to give accurate answers to the best of their knowledge without any due influence. Proper care was given to the sessions for answering or filling in the questionnaire in order to ensure that, field assistants did not at any one time misinterpret the questions or alternatively, respondents to misinterpret the questions. After explaining the nature and purpose of the study, questionnaires were distributed with the aid of field assistants in each county hospital.

### **3.6.2 Interview schedules**

The study used interview schedules for the senior hospital managers. These included hospital superintendents, Senior human resource for health officers and senior doctors. The interviews provided in-depth data necessary for qualitative data (Mukherji, 2010) that could not have been generated through questionnaires. They also allowed the researcher to clarify questions and probe for answers, therefore were more flexible than questionnaires. Additionally, interviews enabled the researcher to create rapport with respondents and hence extract sensitive information from them.

The interview instrument for the study consisted of a topical agenda that guided the researcher to cover broad concerns of the study in depth. The instrument also enabled the researcher to better comprehend the interviewee's viewpoints and emphasized the spirit of discussion in an informal and cordial atmosphere. Its flexibility allowed for collection of sensitive data and less inhibited them were given more time for more qualitative data which could be disclosed by inhibited participants. During the face to face interviews, the researcher promoted a relaxed atmosphere to encourage complete, honest and spontaneous responses.

The interview technique was calculated to provide an in-depth insights and the opportunity to address any concerns that arose in the course of the study, which bore relevance to the problem of study. Information gathered during the interview was recorded in a note book during the sessions to avoid distortion. The information recorded was counter-checked by the interviewee to ensure accuracy. In cases where respondents consented to the use of a t Interviews were conducted at the offices of the interviewees (senior management, superintendents) and detailed notes were taken during the interviews including tape-recording for those that consented ape-recorder, data was recorded and stored.

### **3.6.3 Secondary data**

Secondary data was obtained from the library and by reading books, reports from key stakeholders (NGOs, CIC, SRC, and Auditor Generals HRMP Act, 2012 etc), dissertations, Journals, Periodicals, Seminars papers, public documents, bulletins,

internet, and official records. Texts and scholarly works related to the area of study were also consulted.

### **3.7 Data Collection Procedure**

The researcher obtained permission from JKUAT on approval of the proposal to proceed on data collection. And in conformity with the government policy, the researcher obtained a permit from The National Council for Science and Technology (NACOSTI Kenya), and also from the relevant county hospitals where the study was carried out. An introductory letter was also prepared before proceeding to the field for data collection. Equipped with these, the researcher then proceeded to administer the questionnaires that were dropped and picked later while interview schedules with the key informants were arranged and agreed upon with the participants. The respondents were given ample time to respond to the questions and once filled; the research assistants went round collecting them. The research yielded both qualitative and quantitative data.

The researcher also personally telephoned the contact persons, sent short messages (sms) to establish the progress of the questionnaires that had been distributed to the hospitals. The questionnaires were distributed across four County Hospitals; Kakamega county hospital, Bungoma County hospital, Kajiado County hospital and Kangundo county hospital. And the interview schedules were also carried out in the same county hospitals.

The researcher experienced some cases where some respondents consented to tape recording during the interviews while others refused. Qualitative data from the interviews that were tape recorded was first transcribed. This then was combined with the data that was recorded manually. The transcribed data was carefully read line by line and segmented into meaningful analytical units (codes). This is in line with Creswell, (2012) who noted that coding simply meant marking the segments of data with symbols, descriptive words, or category names.

### **3.8 Pilot Study**

A pilot study is the process of carrying out a preliminary study, and it involved going through the entire research process with a small sample. The comprehensive pilot study was necessary since the pre-testing that had been carried out early was simply a trial of the questionnaire instrument that helped in refining the questionnaire and determining the reliability of the instrument. According to Mugenda and Mugenda (2003), once a questionnaire is finalised, it is imperative for the researcher to test it in the field before the actual data collection exercise. Kaifeng *et al.* (2008), explains that a pilot study should preferably be carried out using subjects that will not be recruited for the main study. This is because the experience gained by subjects in the pilot study may bias the results of the main study if the same subjects are included.

A pilot test was carried out with fourteen conveniently selected respondents from two hospitals that did not form part of the sample. Seven from each hospital. Of the seven respondents two senior officers were also taken through interviews to test the officer's interview schedule. The hospitals that were used were Thika level 5 hospital and Mbagathi hospital. I used fourteen questionnaire as it made the 10% of the sample size. The senior officers were requested to analyse the interview schedule and propose any amendments in the structuring of the questions. This exercise was very important and was meant to rid the interview guide of ambiguities and repetitions, to improve clarity of questions and to ensure completeness. In this way the validity of the instrument was enhanced. With regard to questionnaires, subjects were asked to complete the questionnaires, to give their comments on the clarity of instructions and question items and to suggest any additions or rectifications that could be made to improve the instrument.

The main purpose of the pilot study was to ascertain whether the instruments would yield the required data, and to further improve on the data collection instruments. That is check face and content validity of the instrument (questionnaire and interview schedule). Estimate the average time taken by the respondents to complete the questionnaires. The pilot study was also aimed at addressing several key issues. With regard to instruments, the pilot study helped the researcher to

check whether; (i) the instruments adequately generated the required information, (ii) the instruments contained proper wording of questions, (iii) the items were logically arranged to facilitate response, (iv) there were any redundancies and repetitions that called for elimination of some questions; (v) the data collected was quantifiable, (vi) analyzable and useful, the questions asked were acceptable to respondents.

In regard to the results of the pilot study, alternations were made to the data collection instruments. For example, a few questions from the interview schedule were found to give more or less the same response and this were consequently merged. The order of the questions in the interview schedule was also altered to make the questions more logically sequenced. This helped to reduce the amount of the time spend per interview. With the re-sequencing of questions and merging of others, unnecessary time lost in interviews was reduced considerably. The questionnaire was abit lengthy and that this was likely to affect instrument completion and response rate. The questionnaire was subsequently revised based on the feedback from the pilot test. The key variable was appropriately aligned to their respective questions to remove ambiguity and inadequate working.

### **3.8.1 Validity of the Instruments**

Data validity is the degree to which a test measures that which it is supposed to measure (Porter, 2010). Mugenda and Mugenda define validity as the degree to which the research results obtained from the analysis of the data represent the phenomenon under study. Validity is concerned with the study's success at measuring what it seeks to measure. Three types of validity were applicable to this study i.e. content validity, construct validity and face validity. Bless *et al.* (2006), states that in order to properly measure the complex topics presented by social science research, the researcher must ensure that information is provided on all the different components. This then implies that, if one component is ignored, the researcher cannot claim to measure whatever it is that they want to measure in the study.

The researcher continues to explain that in most cases, content validity of an original instrument is achieved by referring to literature theory. The more the instrument measures all the various components of the variable, the greater the confidence in its content validity. Expert opinions were some of the measures that were used in making sure the instrument yielded validity data. To enhance the content validity, expert opinion from Professionals in this field, researcher's thesis supervisors were sought. Their comments were incorporated to improve the instrument.

The face validity was enhanced by the instruments review. According to Bless *et al* (2006), face validity is concerned with the way the instrument appears to the participant. i.e. an instrument may appear insultingly simplistic, far too difficult, or too repetitive. Such flaws affect the respondent's willingness to complete the questionnaire. In the case of construct validity, a five point Likert scale was used. The Likert scale is where respondents gave their opinions or views that enabled the researcher collect data that was objective. Construct validity involves generalizing from that program or measures to the concept of your program or measures. There is need to develop sound evidence to demonstrate that the test interpretation (of scores about the concept or construct that the test is assumed to measure) matches its proposed use (Creswell, 2012).

### **3.8.2 Reliability of Research**

Reliability of an instrument being the consistency of an instrument in measuring what it is intended to measure was established by first ensuring internal constancy approach followed by carrying out a pilot study. A questionnaire is considered reliable if the Cronbach's Alpha coefficient is greater than 0.70 (Katou, 2008). The five independent variables and the dependent variable were subjected to reliability test using SPSS and the results obtained are shown in table 3.3. The results indicated that all the variables obtained had Cronbach's Alpha greater than 0.7 thereby achieving the recommended 0.7 for internal consistence of data (Mugenda & Mugenda, 2008). To compute the coefficient, the researcher used the formula:

$$R_e = \frac{2r}{r+1}$$

Where  $R_e$  = reliability of the original test

$r$  = reliability of the coefficient resulting from correlating the scores of the odd items with the scores of the even items.

**Table 3.3: Cronbach Alpha Reliability**

<b>Factors</b>	<b>No of Items</b>	<b>Cronbach's Alpha</b>
Strategic Recruitment and Selection	9	0.953
Strategic Training	11	0.897
Strategic Employee Voice	15	0.882
Strategic Employee Welfare Services	12	0.746
Strategic Reward and Compensation System	11	0.789
Human Resource Management Professional Act	7	0.909
Employee Performance	10	0.923

The reliability test shown in Table 3.3 produced Cronbach alpha ( $\alpha$ ) of greater than 0.70 making the questionnaire highly reliable as recommended by Mugenda and Mugenda (2003). The research used the extraction method of principle components for the factor analysis for all the above items.

### **3.9 Data Analysis and Presentation**

Both descriptive and inferential statistical techniques were used to analyse the data. Kombo and Tromp (2006). Descriptive statistics was used for quantitative data analysis which enabled the researcher describe distribution of scores and even measurements (Mugenda & Mugenda, 2003). Descriptive statistics such as mean, percentages and standard deviation were employed to present the responses obtained from the respondents. The collected raw data from the field which was qualitative was coded and transcribed and translated into quantitative data and then analyzed and tabulated using Statistical Package for Social Sciences (SPSS version 21). The researcher used tables for data presentation. Correlations were used to test the strength of the relationship between the variables; independent variables and the dependent variable i.e. Strategic human resource management practices and employee performance in the health sector in Kenya. This was done by comparing numbers of two different data sets together. Correlations observe whether the movement in the value of numbers in one data set was related to movement in the value of numbers in the other data set. In this study the equation to test for correlation as a coefficient that was between (0) *zero* as absolutely no relationship between the two data sets and (- 1) *minus one* as a perfect relationship between the two data.

Analyzing data qualitatively involved developing coding categories as a way of organizing it. Developing a coding system involved searching through the data for regularities and patterns based on the topics of interest. This exercise was a means of sorting the descriptive data. Qualitative data were used for analytical discussions of responses to the research questions. Coding categories were created through the process of combing the data for themes, ideas and categories and then marking similar portions of data text with a code label so that they could easily be retrieved at a later stage for further comparison and analysis. Quantitative data was directly

coded into the SPSS programme for analysis. For the quantitative data, descriptive statistics such as mean, mode, standard deviation and frequency were used to analyze and summarize the collected data. Presentation of data was done through tables.

Coding the data made it easier to search the data and to identify any patterns that were relevant for analysis. The codes were based on themes, topics and keywords found in the data. All portions of data that were coded the same way, i.e. given the same label were judged by the researcher to be about the same topic, keyword and so forth. The codes were then given meaningful names that indicated idea or concept that underpinned the category. Any parts of the data that related to a code topic were coded with the appropriate label. This process of associating labels with the text involved close reading the text. If a theme was identified from the data that did not quite fit the codes already existing, then a new code was created. The relationship of a set of all the independent variables in relation to the dependent variable is called multiple correlations while partial correlation measures a relation between dependent variable and the particular independent variable holding all other variables constant (Kothari, 2009). In this study, the independent variables were; strategic recruitment and selection, strategic training, strategic employee voice, strategic welfare services and strategic reward and compensation system. And the dependent variable was employee performance.

Inferential data analysis was carried out by the use of factor analysis and correlation analysis to determine the strength and the direction of the relationship between the dependent variable and the independent variables. Regression models were fitted and hypothesis testing carried using multiple regression analysis. Results from quantitative data were presented in tables. The tables have the advantage of accommodating large amounts of information in a limited space.

### **3.9.1 Statistical Model**

The researcher used multiple linear regression model. This model helped in determining whether independent variables predict the given dependent variable hence increasing the accuracy of the estimate. The independent variables in this

case were Strategic recruitment and selection, strategic training, strategic welfare services, strategic employee voice and strategic reward system and compensation. The multiple linear regression model for dependent variable (Y) for employee performance, Independent variable  $X_1$ - (Recruitment and Selection),  $X_2$  (Strategic Training),  $X_3$  (Strategic employee welfare services),  $X_4$  (Strategic employee Voice) and  $X_5$  (Strategic reward system and compensation). Moderating variable Z (Human Resource Management Professional's Act, 2012). The study adopted multiple linear regression model as follows

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_1 X_1 Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \beta_4 X_4 Z + \beta_5 X_5 Z + e$$

$\beta_i X_i Z$  = Product less interaction term of the moderating variable with each of the independent variable ( $X_1 X_2 X_3 X_4 X_5$ ).

Where;

Y = Employee Performance in devolved health sector in Kenya

$\beta_0$  = Constant

Z = HRMP Act (Moderator)

$\beta_i$  = is the coefficient for  $X_i$  Which is ( $i = 1, 2, 3, 4, 5$ )

$X_1$  = strategic recruitment and selection

$X_2$  = Strategic training

$X_3$  = Strategic welfare services

$X_4$  = Strategic employee voice

$X_5$  = Strategic reward system and compensation

Z = Human Resource Management Professional's Act

e = Error term

$\beta_1$  = regression coefficient of variable  $X_1$

$\beta_2$  = regression coefficient of variable  $X_2$

$\beta_3$  = regression coefficient of variable  $X_3$

$\beta_4$  = regression coefficient of variable  $X_4$   $i=1, 2, 3, 4, 5$ .

The study tested hypothesis to establish the influence of strategic human resource management practices on employee performance in the Health Sector in Kenya by using P-value approach at 95% level of significant (0.05). The decision rule was to reject the null hypothesis if calculated p-value was less than 0.05. If the calculated p-value was greater than 0.05, we affirm the null hypothesis.

In measuring the variables, the researcher adopted the SHRM practices that were suggested by Pfeffer (2006) and cited by Mbugua (2014). A number of studies done by several scholars have used different strategic bundles that are linked to performance of employees in organizations. For instance, Otiende (2013), looked at career progression, environment, government policy and training on employee performance. While the researcher used strategic recruitment and selection, strategic training, strategic Welfare Services, strategic Employee voice and strategic reward systems and Compensation.

A five point likert scale (5 = strongly agree, to 1= strongly disagree) by Ojokuku and Sajuyigbe, (page 94-95, 2014), was used. According to Zikmund (2009), regression model helps one understand how the typical value of the dependent variable changes when any one of the independent variable is varied, while the other independent variables are held constant or fixed. Error term is normally distributed with mean of 0 and some constant variance. The variance of partial correlation between variables was determined in this study.

According to Kothari, (2004), partial correlation of coefficient measures separately the relationship between two variables in a way that the effects of other related variables are eliminated. The aim of the analysis was to measure the relationship between an independent variable on the dependent variable holding all other variables constant; therefore each partial coefficient of correlation measured the effect of all its independent variable on dependent variable.

**Table 3.4: Operationalization of Variables in the Study**

<b>Variables</b>		<b>Measures</b>
<b>Strategic and selection</b>	<b>recruitment</b>	<ul style="list-style-type: none"> <li>▪ Policy on recruitment and selection in place</li> <li>▪ Different scientific tests are administered</li> <li>▪ Internal promotion for staff</li> </ul>
<b>Strategic Practices</b>	<b>training</b>	<ul style="list-style-type: none"> <li>▪ Training Policy in place</li> <li>▪ Staff development programmes/seminars</li> <li>▪ Training to increase knowledge, skills and abilities</li> <li>▪ Needs assessment before training</li> </ul>
<b>Strategic welfare practices</b>	<b>Employee</b>	<ul style="list-style-type: none"> <li>▪ Pension scheme in place to influence performance</li> <li>▪ Medical Facilities/work-life balance on performance</li> </ul>
		<ul style="list-style-type: none"> <li>▪ Awareness of hospital policy</li> <li>▪ Family leave/maternity influences performance</li> <li>▪ Healthcare insurance covers</li> </ul>
<b>Strategic voice</b>	<b>Employee</b>	<ul style="list-style-type: none"> <li>▪ Participation of employee in key decisions making</li> <li>▪ Employee involvement in hospital matters, meetings</li> <li>▪ Administration of Attitude surveys to improve performance</li> </ul>
<b>Strategic System</b>	<b>Reward</b>	<ul style="list-style-type: none"> <li>▪ Hospital salary scales comparable</li> <li>▪ Compensation given for motivation purposes</li> <li>▪ Incentives /allowances given based on performance and bonuses</li> </ul>
<b>Human Management Professional's Act. 2012 (HRMP Act).</b>	<b>Resource Act.</b>	<ul style="list-style-type: none"> <li>▪ Implementation of HRMP Act in hospitals</li> <li>▪ Use of the act by heads of HR departments in the county hospital</li> <li>▪ Knowledge of the HRMP Act by HR heads in the County hospitals</li> </ul>
<b>Employee performance</b>		<ul style="list-style-type: none"> <li>▪ Strategic R &amp;S improves employee performance</li> <li>▪ Strategic training improves employee performance</li> <li>▪ Employee welfare motivates employees</li> <li>▪ Accuracy and speed by staff due to SRS</li> <li>▪ Teamwork in employee performance due to ST</li> <li>▪ Quality of service improved county hospital's staff</li> </ul>

## **CHAPTER FOUR**

### **RESEARCH FINDINGS AND DISCUSSION**

#### **4.1 Introduction**

The chapter presents the research findings and results of the study. Data analysis was conducted for each of the specific objective. The findings and discussions are in line with the variables and objectives of the study. Descriptive statistic analysis was used to identify frequencies and percentages to answer all of the questions in the questionnaire. The chapter also provides correlations and regression analysis, hypothesis testing models and inferences drawn from the analysis

#### **4.2 Response Rate**

In this study, out of a total of 146 questionnaires that were distributed to the sampled respondents, 131 of them were filled and returned. Of the returned questionnaires, 11 were incorrectly filled and therefore were not used in the final analysis. Therefore, 120 were correctly filled and these were the once used for the analysis, which made up a response rate of 82.5%. The study established that the researcher employed various strategic techniques that were attributed to the high response rate. For example, the researcher recruited two research assistants who were tasked with the distribution and collection of the questionnaires while the researcher carried out the interview schedules with the key informants. The researcher also visited the selected hospitals for the study and met hospital superintendents and senior managers and obtained telephone numbers for the contact persons and managers.

#### **4.3 Demographic Information**

This section contains the analysis of information on respondent's age, gender, education level and work experience. The main purpose of this was to find out any trend from the respondents profile that was directly linked to the variables of the study.

### 4.3.1 Gender of the Respondents

The study sought to establish the gender of the respondents in the study, Table 4.1 shows the distribution of the respondents according to their gender

**Table 4.1: Gender distribution**

Gender	Frequency	Percent
Male	63	52.5
Female	57	47.5
<b>Total</b>	<b>120</b>	<b>100.0</b>

According to the study findings, majority of the respondents were male 52.3% while female respondents were 47.5%. The study attributed this to the existing gender gap in the employment in the public sector in Kenya which is predominantly dominated by the male gender. Male could also be more because in the patriarchal society, the sex based assignment of roles has projected the spectre of inferiority even unworthiness over women while casting the characteristics of superiority on to men. While this role-assignment sprung from the inherently patriarchal nature of the Kenyan society, it found good nurturing ground in institutions such as and especially the law. If, as it has been argued, law reflects predominant social value, then in a patriarchal society where man is supreme, law will often re-inprint inherent gender imbalances and re-enforce women's exclusion from the mainstream society.

Women have poor access to education and have controlled significantly lessor resources than their male counterparts. This could be for example; girls get pregnant at an early age and thus dropping from school and could also be on the part of parents who see no need to put girls through schools. (MoE report 2010). The study also noted that most of the employees in the county hospitals were inherited from the previous county councils and therefore adhering to the two-thirds gender rule was not possible. This study established also that gender was very important as it is embedded in the new constitution of Kenya (2010).

From the study findings, the gender disparity distribution goes against the constitution of Kenya. Besides the fundamental change that has come about with the demise of Section 82(4), the 2010 Constitution contains a very detailed clause on equality and freedom from discrimination. From a gender equality perspective, this clause is commendable on four limbs. *First*, it states explicitly that men and women have the right to equal treatment and equal opportunities in the political, economic, cultural and social sphere. *Second*, the grounds on which the state is not to discriminate are much broader than existed under the old constitution, and they include pregnancy, marital status, health status, disability and dress. *Third*, it is not only the state that may not discriminate, but this applies horizontally among all persons.

Lastly, for the first time there is constitutional provision for the principle of affirmative action, in order to give full effect to the realization of the rights guaranteed under this constitution article, it may be necessary to take measures to redress past patterns of discrimination, such as those that relate to gender relations. It also recognises espouses the rights of women as being equal in law to men, and entitled to enjoy equal opportunities in the political, social and economic spheres.

Article 81 (b) which refers to the general principles of Kenya's electoral system states 'the electoral system shall comply with the following principle - (b) not more than two-thirds of the members of elective public bodies shall be of the same gender. Article 27 goes further to obligate the government to develop and pass policies and laws, including affirmative action programs and policies to address the past discrimination that women have faced.

### 4.3.2 Distribution of Respondents by Age Group

The study sought to establish the age groups of the respondents in the Study. Table 4.2 shows the distribution of the respondents according to their age groups.

**Table 4.2: Respondents age groups**

<b>Respondents age groups</b>	<b>Frequency</b>	<b>Percent</b>
Below 30 years	34	28.3
30-40 years	66	55.0
50-60 years	6	5.0
Over 60 years	14	11.7
<b>Total</b>	<b>120</b>	<b>100.0</b>

The findings in Table 4.2 indicate that majority of the respondents in the hospitals were between ages 30-40 year bracket representing a 55.0 %; 28.3% were below 30 years of age; 11.7% were more than 60 years of age and 5% were between age bracket of 50-60 years of age. Thus the highest were 55% while the least were 5%. This meant that the sample used by the study was well distributed in terms of age and could therefore give reliable information. The study established that the highest respondents were mainly young adults (ages 30-40).

Young people are innovative and creative in problem solving and solution finding: they are the key to helping communities meet their subsistence needs, and in doing so, improving local people's long-term security and control including providing creating stable societies. Workforces are becoming increasingly diverse in age demographics, creating professional environments that are rich with experience and maturity as well as youthful exuberance. Organizations that employ workers in wide ranges of age have the advantage of creating a dynamic, multi-generational workforce, with a diverse range of skill sets that is beneficial to the organization.

A workforce composed of different age demographics creates an environment where each generation brings different skills and talents to the table. For example, young employees likely have a strong grasp on the use of high-tech business mediums such

as social networking, online product demonstrations and webcasting, telecommuting, flexi working. More mature professionals often have exceptional interpersonal skills and perform well in environments where traditional in-person communication is used.

The mentorship perspective practice of multi-generational workplace offers many advantages. In a mixed-age workforce where companies value knowledge, experience and skill above age, seniority or gender, employees of all ages have the opportunity to teach, share and learn from one another. On continuity, a workforce heavily composed only of people in a particular age demographic runs the risk of becoming obsolete. Traditionally, older workers train younger professionals in the ways of the organization, passing down accumulated years of experience. In a workforce dominated only by young professionals, there is no opportunity for generational mentoring; in a workforce dominated only by mature employees, workers eventually retire from the company, leaving behind few people who are familiar with the company's history.

Young generation is very important in Succession planning which is also a key aspect of continuity. An ongoing supply of well trained, broadly experienced, well motivated people who are ready and able to step into key positions as needed and should be ready, and take on the continuation process (KPMG, 2014 Report). Succession is about a flow of these capable people through various departments with the goals of educating them into the culture and process of the hospital. Succession means putting in place defined career paths which will help the hospital or the organization to recruit and retain better and talented people. The likelihood of continuous input of ideas to improve the internal processes and procedures of the hospital is also included in succession.

This age group that are the majority (30-40) in the county hospitals need to have structures and or strategies in place that will accommodate them. For example Work-Life Balance which is a concept that supports the effort of employees to split their time and energy between work and other important aspects of their lives. Work-Life Balance (WLB) is fast becoming an important work related issue and over the past decade, an increasing number of scholarly articles have been

promoting its importance. The demands of work and family are not always compatible, leading to conflict between the two domains which may generate the potential for negative effects including turnover (IHRM, 2013).

Anecdotal evidence indicates that some employers are finding that workers that lead balanced lives are more productive. Such firms are aiming to improve employee satisfaction by increasing communication between workers and bosses, improving scheduling flexibility, and recognizing workers' needs to balance work and family (Wall Street Journal, July 1998 cited by Okumbo 2012). Cases of several large consulting and accounting firms are using more flexible work scheduling as a method of recruiting and retaining workers in a tight labor market (National Public Radio, 1998; Price Waterhouse, 1998). At the same time, consulting and accounting firms are trying to change their workaholic culture to make flexible scheduling more feasible.

#### **4.3.3 Distribution of respondent by Level of Education**

The study sought to establish the attained level of education of the respondents in the study. Table 4.3 shows the distribution of the respondents according to their attained level of education.

**Table 4.3: Respondents level of education**

Level of education	Frequency	Percent
Secondary	5	4.2
Middle college	12	10.0
University	103	85.8
<b>Total</b>	<b>120</b>	<b>100.0</b>

The findings in Table 4.3 indicate that majority of the respondents had a university degree i.e. 85.8%; 10.0% had attained middle level college education and 4.2% had attained secondary. This showed that most of the respondents were knowledgeable and gave valid, reliable and more accurate response in regard to research question concerning the strategic human resource management practices and employee

performance at the respective county hospitals. The level of education therefore is very key in this respect.

Education is very important as it is exhibited in our Curriculum Vitae. CVs are all about educational background of an individual. It tells of our educational journey and how careers are developed out of education. As one grows in profession so does the CV and the growth is reflected in it. 85.5% of the respondents who were degree holders meant that these were knowledgeable and highly skilled employees who improved productivity, enhanced quality and of products and services, and are capable of effecting positive changes in processes of delivering quality service to customers. When recruiting and selection employees, this is one area that the recruitment policy outlines very well. Employers need to know the education level of the candidate they are recruiting or selecting.

Most organizations may use careerism to assist their employees to properly plan their careers because it is believed that employees generally react positively to career development and advancement. With the majority being university people in the counties, it means that these are people who are presented with several benefits, for example obtaining high salary, improving one's marketability, positioning oneself for future job opportunities and enhancing job satisfaction. Education also helps in organization development. Every organization is looking for organizational development whereby it develops the internal capacity so that it can be most effective and productive. If it wants to be the best, it can do that by improving the quality of their work through human or technical investments.

During the learning process, individuals will influence each other and their ideas will co-evolve; that is each idea will adapt and change in the context of other ideas, and once changed, it will, in turn, have an influence on what happens next. Learning organizations encourage self-organization, so that groups can come together to explore new ideas without being directed to do so by a manager outside that group. They actively encourage self-organization and do not see it as a waste of time.

This is an essential part of the innovative process which is also an integral part of creating an environment that facilitates co-evolutionary sustainability. Organizations

include multiple and intricate networks of relationships, which are sustained through communication and other forms of feedback, with varying degrees of interdependence. Although heavily influenced by their history and culture, they can transcend both when necessary. When such organizations meet a constraint they are able to explore the space of possibilities and find a different way of doing things, i.e., they are creative and innovative and can create something new. This creation of new order is the distinctive characteristic of complex (as distinct from complicated) systems. A well educated employee definitely saves the organization from the process of training and the expenses that goes with it. The research established that the level of education of respondents was very important and critical aspect in responding to the questions in the study. Each respondent was in control of what to answer and how to answer question.

#### **4.3.4 Distribution of respondents by their working experience.**

The study also sought to establish the working experience of the respondents. This was very important because previous studies indicated that there was strong relationship between experience and employee performance. Table 4.4 shows the findings.

**Table 4.4: Respondents on Working Experience**

<b>Length of service</b>	<b>Frequency</b>	<b>Percent</b>
1-5years	20	15.8
5-10 years	69	56.7
Over 10 years	31	27.5
<b>Total</b>	<b>120</b>	<b>100.0</b>

According to the findings in Table 4.4; majority of the respondents 56.7% had worked for the county hospital for between 5-10 years. Ideally when combined, more than 85.2% had worked for the county hospital for more than 5 years and only 14.8 % had worked with the county hospital for less than 5 years. From the findings, the researcher concluded that majority of the respondents had enough

experience with the hospitals’ strategies and hence would provide valid and credible information with regard to strategic HRM practices and employee performance. And therefore it was established that work experience meant most of the respondents were aware of the hospitals operations, procedures, rules etc.

**Table 4.5: Respondents job title in the County Government Hospital**

Job Title	Frequency	Percentage
Pharmacist	12	10.0
Lab assistant	14	11.6
Physiotherapist	5	4.2
Nurse	17	14.2
Doctor	12	10.0
Clinical officer	11	9.2
Support staff	12	10.0
Dentist	13	10.8
Administrative assistant	13	10.8
IT officer	3	2.5
Paramedic	8	6.7
<b>Total</b>	<b>120</b>	<b>100.0</b>

From the study in Table 4.5, majority of the respondents 14.4% worked as nurses at the hospitals while the least were IT officers. This indicates the importance of nurses as they cut across all the departments or sections. In Kenya’s health care system, health professionals are the life giving force. These are doctors, nurses, clinical officers, laboratory technicians and technologists, radiographers and radiologists, pharmacists, nutritionists and dieticians, dentists, health managers, and public health officers and technicians among others. The health workforce ensures patients can access needed preventive, diagnostic and curative services.

Nurses are the main professional component of the front line staff in most health systems and their contribution is recognized as essential to delivering safe and effective care, with links demonstrated between adequate nurse staffing levels and positive care outcomes. Nurses could be considered the true heart of health care. They take on many different roles in their jobs every day, and a good nurse is a great

help to the doctors and patients she serves. A nurse works under the direction of the doctors in charge of each patient. She follows his orders pertaining to medications and treatments, and she helps them while performing certain procedures. Therefore she ensuring that the patients are all examined well. A full examination of the patient is taken at certain times throughout the nursing shift, depending on hospital policy.

Most people think that nursing is strictly a medical role, but a lot of teaching goes into nursing. Not only does the nurse have to carefully observe the patient and examine him and chart any changes. She teaches the patient about his or her condition, about any treatments he or she is receiving, any medications the patient is receiving, and any at-home instructions that the patient may need. She's there to answer questions the patient may have and help the patient with things they may not understand. Teaching takes up a great part of the nurse's role in health care.

#### **4.4 Descriptive Statistics of Study Variables.**

This section provides the research findings as presented in tables and the number of respondents per each test item for each variable. The main purpose of the study was to investigate the influence of strategic human resource management practices on employee performance in the health sector in Kenya. The researcher analysed the following variables for the study; strategic recruitment and selection, strategic training, strategic employee voice, strategic employee welfare services and strategic reward and compensation systems in the health sector in Kenya.

#### 4.4.1 Strategic Recruitment and Selection

**Table 4.6: Responses strategic recruitment and selection**

Statements	5(%)	4(%)	3(%)	2(%)	1(%)	Mean	Std. Deviation
Transparency and fairness is followed when recruiting and selecting hiring employees	6(5)	20(16.7)	4(3)	2(1.7)	88(73.3)	1.78	1.361
Valid and standardized tests are used when required in the selection process	4(3)	20(16.7)	2(1)	46(38.3)	48(40.0)	2.05	1.180
Promotions are frequently done in a transparent manner	6(5)	26(21.7)	2(1)	17(14.2)	69(57.5)	2.03	1.387
The County Hospital recruitment process ensures that very qualified candidates are attracted	8(6)	22(18.3)	0(0)	18(15.0)	72(60.0)	1.97	1.396
Internal promotion is considered for those with experience and qualifications	6(5)	18(15.0)	0(0)	25(20.8)	71(59.2)	1.86	1.279
Attitude towards work is used as a criteria in employee selection	8(6)	11(9.2)	2(1)	20(16.7)	79(65.8)	1.74	1.260
New employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection	6(5)	7(5.8)	4(3)	18(15.0)	85(70.8)	1.59	1.126

**N = 120**

The respondents indicated the average turnover in the hospital was 77.70 before implementation of recruitment and selection policy and 19.56% after the implementation of recruitment and selection policy. According to study findings in Table 4.6; 88% of the respondents strongly disagreed that transparency and fairness is followed when recruiting and selecting employees as shown by a mean of 1.78 and a standard deviation of 1.361; A total of 48% strongly disagreed that Valid and standardized tests are used when required in the selection process as shown by a mean of 2.05 and a standard deviation of 1.180. 69% of the respondents strongly disagreed that promotions are frequently done in a transparent manner as shown by a mean of 2.03 and standard deviation of 1.387; 72% disagreed that the County Hospital recruitment process ensures that very qualified candidates are attracted as indicated by a mean of 1.97 and standard deviation of 1.396.

A total of 71% of the respondents strongly disagreed that internal promotion is considered for those with experience and qualifications as indicated by a mean of 1.86 and standard deviation of 1.279; 79% of the respondents also disagreed that attitude towards work is used as a criteria in employee selection as indicated by a mean of 1.74 and standard deviation of 1.260; and a further 85% respondents indicated that they strongly disagreed that new employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection as indicated by a mean of 1.59 and standard deviation of 1.126. The parameters used were between the scales of 5% strongly agree and 1% strongly disagree. Overall from the above measurements in Table 4.6., we can conclude that indicators used to operationalize the variables had an approximate mean of 2.00. This meant that most respondents disagreed.

#### 4.4.2 Strategic Training

The study used the parameters where: 5=Strongly Agree, 4=Agree, 3 = Neither agree nor disagree, 2= Disagree and 1=Strongly Disagree

**Table 4.7: Responses on Strategic Training**

Statements	N	5(%)	4(%)	3(%)	2(%)	1(%)	Mean	Std. Deviation
The county hospital has a staff development programmes in place	6(5.0)	1(0.8)	6(5.0)	3(2.5)	104(86.7)		1.35	.993
Staff at the hospital have been trained on use of technology for efficiency	0(0.0)	6(5.0)	2(1.7)	61(50.8)	51(42.5)		1.69	.742
The county hospital organizes seminars, workshops for its employees	8(6.7)	3(2.5)	0(0.0)	2(1.7)	106(88.3)		1.36	1.095
The county hospital has a training budget every financial year	8(6.7)	7(5.8)	0(0.0)	45(37.5)	60(50.0)		1.82	1.145
A needs assessment for training is done before choosing employees to be trained	10(8.3)	6(5.0)	2(1.7)	7(5.8)	95(79.2)		1.58	1.261
Training employees improves their work performance	2(1.7)	2(1.7)		16(13.3)	100(83.3)		1.25	.701

**N= 120**

According to study findings in Table 4.7; the respondents strongly disagreed that the county hospital has a staff development program in place as indicated by a mean of 1.35 and standard deviation 0.993; they disagreed that Staff at the hospital have been trained on use of technology for efficiency as indicated by a mean of 1.69 and standard deviation 0.742. The respondent's strongly disagreed that the county hospital organizes seminars, workshops for its employees as indicated by a mean of 1.36 and standard deviation 1.095; they disagreed that the county hospital has a training budget every financial year as indicated by a mean of 1.82 and standard deviation 1.145. They disagreed that a needs assessment for training is done before

choosing employees to be trained as indicated by a mean of 1.58 and standard deviation 1.126; further they strongly disagreed that training employees improves their work performance as indicated by a mean of 1.25 and standard deviation 0.701.

The parameters used were between the scales of 5% strongly agreed and 1% strongly disagree. Overall, from the above measurements in Table 4.7, we can conclude that indicators used to operationalize the variables had an approximate mean of 1.50. This meant that most respondents strongly disagreed.

#### **4.4.3 Strategic Employee Voice**

According to study; majority of the respondents 86% indicated that the county hospital allows employees to participate and get involved in key decision making while 14% indicated they were not involved. The parameters used were Where: 5=Strongly Agree, 4=Agree, 3 = neither agree nor disagree, 2= Disagree and 1=Strongly Disagree

From the study findings on average the work quality was 32.32% before the employees were allowed to participate and get involved in key decisions of the hospital, and 77.78 after they were allowed to participate in key decision at the hospital.

**Table 4.8: Responses on Strategic Employee Voice**

	N	5(%)	4(%)	3(%)	2(%)	1(%)	Mean	Std. Deviation
Hospital's employees are consulted by management before making decision on issues touching on them	2(1.7)	4(3.3)	4(3.3)	2(1.7)	108(90.0)		1.25	.812
Employees are involved in decision making	2(1.7)	4(3.3)	4(3.3)	61(50.8)	49(40.8)		1.74	.815
Employees usually voice their issues in a conducive environment	4(3.3)	4(3.3)	4(3.3)	9(7.5)	99(82.5)		1.38	.953
Employees sit on several committees participate in key decision making	2(2.7)	10(.3)	0(0.0)	27(22.5)	81(67.5)		1.54	.978
Employee attitude surveys are carried out annually	8(6.7)	7(5.8)	2(1.7)	15(12.5)	86(72.5)		2.06	4.792
Suggestion boxes(schemes) are placed in central places for use by employees to contribute ideas for improvement	2(1.7)	3(2.5)	4(3.3)	8(6.7)	103(85.8)		1.28	.788
Hospital employees are members of medical trade union (KMDPU)	75(62.5)	37(30.8)	0(0.0)	8(6.7)	0(0.0)		4.49	.810
The county management holds regular meeting with its employees	8(6.7)	6(5.0)	2(1.7)	23(19.2)	81(67.5)		1.64	1.172
Employees are routinely administered with attitude surveys to identify and correct employee work performance problems	6(5.0)	3(2.5)	7(5.8)	19(15.8)	85(70.8)		1.55	1.060

**N = 120**

According to study findings in Table 4.8; the respondents strongly disagreed that Hospital's employees are consulted by management before making decision on issues touching on them as indicated by a mean of 1.25 and standard deviation of 0.812; the disagreed that Employees are involved in decision making as indicated by a mean of 1.74 and standard deviation of 0.815. The respondents strongly disagreed that Employees usually voice their issues in a conducive environment as indicated by a mean of 1.38 and standard deviation of 0.953; the also disagreed that Employees sit on several committees participate in key decision making as indicated by a mean of 1.54 and standard deviation of 0.978.

Consequently the respondents disagreed that Employee attitude surveys are carried out annually as indicated by a mean of 2.06 and standard deviation of 4.792; they also strongly disagreed that Suggestion boxes(schemes) are placed in central places for use by employees to contribute ideas for improvement as indicated by a mean of 1.28 and standard deviation of 0.788. The respondents strongly agreed that Hospital employees are members of medical trade union (KMDPU) as indicated by a mean of 4.49 and standard deviation of 0.810; they disagreed that the county management holds regular meeting with its employees as indicated by a mean of 1.64 and standard deviation of 1.172; further they disagreed that Employees are routinely administered with attitude surveys to identify and correct employee work performance problems as indicated by a mean of 1.55 and standard deviation of 1.060.

From the study findings; 52.9% were of the opinion that top management support would improve employee performance, 31.0% were of the opinion that problem solving techniques and conflict resolution would improve employee participation and 16.1% responded that open communication between the management and employees would improve employee participation. Respondents also gave various methods that are used in the county hospitals. Of this, 46.5% agreed that quality surveys or circles were in place at the hospital; 24.4% responded on decision working teams and 29.1% responded on suggestion boxes.

Looking at figure 4.8, hospital employees are members of KMPPDU which is a trade union for medical practitioners. This elicited a mean of 4.49 which was the highest meaning that most respondents were in agreement. They belonged to this union. This union is important to the workers as it voices their concerns and or grievances.

The parameters used were between the scales of 5% strongly agreed and 1% strongly disagree. Overall, from the above measurements in Table 4.8, we can conclude that indicators used to operationalize the variables had an approximate average mean of 1.50. This meant that most respondents strongly disagreed.

#### 4.4.4 Strategic Employee Welfare Services

But after the implementation of the welfare policy, level of work improved by 66.55%. This confirmed the views by Okumba (2009) that welfare services are very important to an employee. A well looked after employee holistically will perform better. The researcher used parameters where: 5=Strongly Agree, 4=Agree, 3 = Neither agree nor disagree, 2= Disagree and 1=Strongly Disagree.

**Table 4.9: Responses on Strategic Employee Welfare Services**

Statements	5(%)	4(%)	3(%)	2(%)	1(%)	Mean	Std. Deviation
The county hospital provides health services to staff	109(90.8)	6(5.0)	2(1.7)	1(0.8)	0(0.0)	4.89	.429
The county hospital has partnered with health insurance organizations and hospitals for staff healthcare	56(46.7)	54(43.3)	1(0.8)	1(0.8)	6(5.0)	4.97	5.232
The Hospital allows for sick offs and family leave	106(88.3)	11(9.2)	0(0.0)	1(0.8)	0(0.0)	4.88	.396
The hospital has a pension scheme facility for its staff	83(69.1)	26(21.7)	1(0.8)	2(1.7)	6(5.0)	4.93	4.753
The hospital gives family and maternity leave to its staff	101(84.2)	17(14.2)	0(0.0)	0(0.0)	0(0.0)	4.86	.353
<b>N=120</b>							

According to study findings in Table 4.9; the respondents strongly agreed that the county hospital provides health services to staff as indicated by a mean of 4.89 and standard deviation of 0.429; they also strongly agreed that the county hospital has partnered with health insurance organizations and hospitals for staff healthcare as indicated by a mean of 4.97 and standard deviation of 5.232. The respondents strongly agreed that the Hospital allows for sick offs and family leave as indicated by a mean of 4.88 and standard deviation of 0.396; they also strongly agreed that the hospital has a pension scheme facility for its staff as indicated by a mean of 4.93 and standard deviation of 4.753.

The researcher also found out that county hospitals had some welfare programs/services in place. The study therefore established that 33.3% respondents agreed that health insurance was offered to the county employees, 44.4 % indicated that recreational facilities were at the county hospitals, 13.0% indicated that pooled car for staff use as transport was available at the county hospitals and 9.3% confirmed that the county hospitals had subsidized loans for staff. The study also established that staff wanted the hospitals to adopt some welfare services that could improve employee performance. Majority of employees 55.4 % were of the opinion that the county hospitals introduce work life balance that will cater for employee welfare in a holistic manner, followed by employee pick up transport with 20.5 % and employee assistance programmes with 18.1% and the least 6.1% was clubs. Overall, from the above measurements in Table 4.9, we can conclude that indicators used to operationalize the variables had an approximate average mean of 5.00. This meant that most respondents strongly agreed that the county hospitals had welfare services in place.

#### **4.4.5 Strategic Reward and Compensation System**

According to study findings; majority of the respondents 97% indicated that the hospital has a reward and compensation system policy in place while 3% indicated that the hospital does not have a reward and compensation system policy in place. Further from the findings; 75% indicated that Reward and Compensation affected productivity of employees; 25% indicated that R&CS did not affect productivity. On the implementation of the R&SC policy and production level, the respondents

indicated that the production level was at 30.6% before the implementation of RCS policy; and it improved greatly to 68.69% after the implementation of the RCS Policy. Parameters used were; 5=Strongly Agree, 4=Agree, 3 = Neither agree nor disagree, 2= Disagree and 1=Strongly Disagree

**Table 4.10: Responses on Strategic Reward System**

Statements	5	4	3	2	1	Mean	Std. Deviation
	(%)	(%)	(%)	(%)	(%)		
The county hospital's salary scales are comparable to other counties	91(75.8)	3(2.5)	2(1.7)	19(15.8)	3(2.5)	4.36	1.244
Incentives given to the employees motivates employees performance	19(15.8)	13(10.8)	7(5.8)	77(64.2)	2(1.7)	2.75	1.192
The county hospital has a competitive reward system	20(16.7)	12(10.0)	4(3.3)	78(65.0)	4(3.3)	2.71	1.227
In the hospital, compensation for employees is directly linked to his/her performance	14(11.7)	6(5.0)	3(2.5)	85(70.8)	10(8.3)	2.40	1.110
Rewards offered by the hospital have an effect on employee performance	15(12.5)	11(9.2)	5(4.2)	83(69.2)	4(3.3)	2.58	1.128
Good rewards have a positive effect on the employee performance of the hospital	98(83.1)	5(4.2)	0(0.0)	13(11.0)	2(1.7)	4.56	1.058

**N=120**

According to study findings in table 4.10; the respondents strongly agreed that the county hospital's salary scales are comparable to other county hospitals as indicated by a mean of 4.36 and standard deviation of 1.244; the respondents were undecided if Incentives given to the employees motivated employees and enhanced performance as indicated by a mean of 2.75 and standard deviation of 1.192. The respondents were undecided whether the county hospital had a competitive reward and compensation system as indicated by a mean of 2.71 and standard deviation of 1.227; they disagreed that in the hospital, compensation for employees is directly linked to their performance as indicated by a mean of 2.40 and standard deviation of 1.110. The respondents were undecided whether Rewards offered by the hospital had an effect on employee performance as indicated by a mean of 2.58 and standard deviation of 1.128; the respondents strongly agreed that Good rewards have a positive effect on the employee performance of the hospital as indicated by a mean of 4.56 and standard deviation of 1.058. The researcher used various parameters were; Where: 5=Strongly Agree, 4=Agree, 3 = neither agree nor disagree, 2=Disagree and 1=Strongly Disagree.

On whether the employees in hospitals had comparable salary scales, this gave us a mean of 4.36 and also indicator had a mean of 4.56 on good rewards have a positive effect on the employee performance of the hospital. This means that rewards are very important in hospital. Salary also was very important and most respondents were very keen when responding on this indicator. Overall, from the above measurements in Table 4.10, we can conclude that indicators used to operationalize the variables had an approximate average mean of 3.00. This meant that most respondents were neutral.

#### 4.4.6 Human Resource Management Professional's Act

**Table 4.11: Reponses on Human Resource Management Professional's Act**

Statements	5(%)	4(%)	3(%)	2(%)	1(%)	Mean	Std. Deviation
Are you aware that there exists a HRMP Act in Kenya?	10(8.3)	1(0.8)	78(65.0)	1(0.8)	28(23.3)	2.69	1.106
I have subscribed to the HRMP 2012 Act	10(8.5)	0(0.0)	7(5.9)	3(2.5)	98(83.1)	1.48	1.182
Are you a member of the Institute of human resource management	12(10.2)	0(0.0)	1(0.8)	2(1.7)	103(87.3)	1.44	1.223
The implementation of the act has improved employee performance in the county hospital	12(10.3)	0(0.0)	1(0.9)	0(0.0)	104(88.9)	1.43	1.227
<b>N = 120</b>							

As depicted in Table 4.11; a total of 2.69 respondents were undecided on whether they were not aware of existence of the HRMP Act in Kenya as indicated by a mean of 2.69 and standard deviation of 1.106; A total of 98% strongly disagreed they had subscribed to the HRMP 2012 Act as indicated by a mean of 1.48 and standard deviation of 1.182. Majority 103% strongly disagreed that they were members the Institute of human resource management as indicated by a mean of 1.44 and standard deviation of 1.223; and also 104% further strongly disagreed that the implementation of the Act had improved employee performance in the county hospital as indicated by a mean of 1.43 and a standard deviation of 1.227. From the above measurements in Table 4.11, we can conclude that indicators used to operationalize the variables had an approximate average mean of 1.50. This meant that most respondents strongly disagreed.

#### 4.4.7 Employee Performance

**Table 4.12: Responses on Employee Performance**

Statements	5	4	3	2	1	Mean	Std. Deviation
	(%)	(%)	(%)	(%)	(%)		
Staff turnover has decreased in this hospital due to efficient use of human resource practices that motivate, us in this hospital.	21(17.5)	2(1.7)	0(0.0)	0(0.0)	95(80.5)	1.60	1.234
Employees in this hospital are leaving their jobs to look for greener pastures elsewhere	83(70.3)	0(0.0)	0(0.0)	3(2.5)	32(27.1)	3.14	1.346
The customer feedback reports indicates positive results about the employee's services	33(28.0)	0(0.0)	0(0.0)	2(1.7)	83(70.3)	1.86	1.348
The employees in this hospital are satisfied with their day to day responsibilities and activities	32(27.1)	0(0.0)	0(0.0)	4(3.4)	82(69.5)	1.85	1.331
The employees attitude towards work has improved	29(24.6)	0(0.0)	0(0.0)	6(5.1)	83(70.3)	1.79	1.287
The quality of work provided by the employees in this hospital is exceptional	34(28.8)	0(0.0)	0(0.0)	5(4.2)	79(66.9)	1.91	1.352
Employees in this hospital provide efficient services to their customers and the customers are very happy about this exemplary service	32(27.1)	0(0.0)	0(0.0)	7(5.9)	79(66.9)	1.87	1.324
I am satisfied with my job position and the responsibilities that I perform in this hospital	32(27.1)	0(0.0)	0(0.0)	0(0.0)	86(72.9)	1.81	1.339

**N=120**

As depicted in Table 4.12; majority of respondents with a mean of 1.60 disagreed that Staff turnover has decreased in their county hospital due to efficient use of human resource practices that motivate, attract and retain them in the hospital this was indicated by a mean of 1.60 and standard deviation 1.234; 0% respondents were undecided on if Employees in the hospital were leaving their jobs to look for greener pastures elsewhere as indicated by a mean of 3.14 and standard deviation 1.346. A total of 83% of respondents disagreed that the customer feedback reports indicated positive results about the employee's services this was indicated by a mean of 1.86 and standard deviation 1.348; while 82% of respondents disagreed that employees in the county hospital were satisfied with their day to day responsibilities and activities this was indicated by a mean of 1.85 and standard deviation 1.331.

A total of 83% of the respondents disagreed that employee's attitude towards work has improved this was indicated by a mean of 1.79 and standard deviation 1.287; A total of 79% disagreed that the quality of work provided by the employees in the hospital was exceptional this was indicated by a mean of 1.91 and standard deviation 1.352. In addition, a total of 79% respondents disagreed that employees in the hospital provide efficient services to their customers and the customers are very happy about this exemplary service as indicated by a mean of 1.87 and standard deviation 1.324; A total of 86% also disagreed that they are satisfied with their job position and the responsibilities that they perform in their hospital as shown by a mean of 1.81 and a standard 1.339.

As can also be seen in figure 4.17 the highest mean was 3.14 on employees in the hospital are leaving their jobs to look for greener pastures elsewhere. The staff turnover can be attributed several factors, either leaving to look for favourable conditions or other reasons mentioned early in the document.

From the above measurements in Table 4.12, we can conclude that indicators used to operationalize the variables had an approximate average mean of 1.50. This meant that most respondents strongly disagreed.

## 4.5 Inferential Statistics

Inferential statistics was used to make inferences from the data to more general conditions. With inferential statistics, we try to reach conclusions that extend beyond our immediate data alone. For instance, we use inferential statistics to try to infer from the sample data what the population might think. Hypothesis testing (using  $P$ -values) and point estimation (using confidence intervals) are two concepts of inferential statistics that help in making inference about population from samples. The reason for calculating an inferential statistic is to get a  $p$ -value ( $p$  = probability). The  $p$  value is the probability that the samples are from the same population with regard to the dependent variable (outcome). (Creswell, 2010)

Hypothesis testing is a method of inferential statistics. There are seven steps in hypothesis testing. *First*, step is where the null hypothesis is stated ( $H_{01}$ ), second step is where the alternate hypothesis is stated ( $H_{a1}$ ), third step is where the level of significant is selected, fourth step is to select statistical test, fifth determine table value, *sixth* determine calculated value, seventh make a comparison and finally make a decision where you reject or fail to reject the null hypothesis. (Kothari, 2012).

The main reason of tests of significance is to calculate the probability that an observed outcome has merely happened by chance. This probability is known as the  $P$ -value. The  $p$  value determines whether or not we reject the null hypothesis. We use it to estimate whether or not we think the null hypothesis is true. The  $p$  value provides an estimate of how often we would get the obtained result by chance, if in fact the null hypothesis were true. If the  $P$ -value is small ( $P < 0.05$ ), then null hypothesis can be rejected and we can assert that findings are 'statistically significant'. (Creswell, 2010)

Rejecting the null hypothesis means that the findings are unlikely to have arisen by chance and rejecting the idea that there is no difference between the two treatments. When  $P < 0.05$ , the degree of difference or association being tested would occur by chance only five times out of a hundred. When  $P < 0.01$ , the difference or association being observed would occur by chance only once in a hundred.

Confidence interval (CI) is defined as ‘a range of values for a variable of interest constructed so that this range has a specified probability of including the true value of the variable. The specified probability is called the confidence level, and the end points of the confidence interval are called the ‘confidence limits’. By convention, the confidence level is usually set at 95%. The 95% CI is defined as “a range of values for a variable of interest constructed so that this range has a 95% probability of including the true value of the variable”. In simple words, it means that we can be 95% sure that truth is somewhere between 95% confidence interval. Because we are only 95% confident, there is a 5% probability that we might be wrong i.e. 5% probability that the true value might lie either below or above the two confidence limits.

Thus, the 95% CI corresponds to hypothesis testing with  $P < 0.05$ . Hypothesis testing produces a decision about any observed difference: either that the difference is ‘statistically significant’ or that it is ‘statistically insignificant,’ whereas confidence interval gives an idea about the range of the observed effect size. Therefore Inferential statistics help assess strength of the relationship between your independent (causal) variables, and you dependent (effect) variables.

#### **4.5.1 Correlation Analysis**

The results of correlation analysis are as shown in Table 4.13. The findings indicated that there was strong positive and significant relationship between Strategic Recruitment and Selection and Employee Performance in the health sector in Kenya. With a Pearson correlation coefficient  $r=0.684$ ,  $p$ -value  $<0.05$  which was significant at 0.05 level of significance. This implies that improved Strategic Recruitment and selection results in increase of Employee Performance. There was strong positive and significant relationship between ST and EP. With a Pearson correlation coefficient  $r=0.485$ ,  $p$ -value  $<0.01$  which was significant at 0.01 level of significance. This implies that increased Strategic Training results in increase of Employee Performance.

There was strong positive and significant relationship between SEV and EP. With a Pearson correlation coefficient  $r=0.891$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This indicates that improved Strategic Employee Voice results in improved Employee Performance. There was strong positive and significant relationship between Strategic Reward and Compensation System and Employee Performance. With a Pearson correlation coefficient  $r=0.569$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This implies that improved Strategic Reward and Compensation System results to improved Employee Performance.

There was strong positive and significant relationship between Strategic Employee Welfare Services and Employee Performance. With a Pearson correlation coefficient  $r=0.648$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This indicates that improved Strategic Employee Welfare Services leads to improved Employee Performance. There was weak positive and significant relationship between Human Resource Management Professional Act and Employee Performance. With a Pearson correlation coefficient  $r=0.236$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This implies that Human Resource Management Professional Act leads to improved Employee Performance.

**Table 4.13: Correlation Matrix**

		EP	SRS	ST	SEV	SRC	SEWS	HRMP
EP	Pearson Correlation	1						
	Sig. (2-tailed)							
SRS	Pearson Correlation	<b>.684*</b>	1					
	Sig. (2-tailed)	.036						
ST	Pearson Correlation	<b>.485**</b>	.023	1				
	Sig. (2-tailed)	.000	.805					
SEV	Pearson Correlation	<b>.891**</b>	.516**	0.143	1			
	Sig. (2-tailed)	0.000	.000	0.123				
SRC	Pearson Correlation	<b>.569*</b>	.297**	.197*	.189*	1		
	Sig. (2-tailed)	.009	.001	.033	.041			
SEWS	Pearson Correlation	<b>.648*</b>	.048	.211*	.218*	.015	1	
	Sig. (2-tailed)	.014	.605	.023	.018	.875		
HRMP	Pearson Correlation	<b>.236*</b>	.437**	.346**	.740**	.081	.126	1
	Sig. (2-tailed)	.011	.000	.000	.000	.384	.175	
	<b>N</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>

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

Strategic Recruitment and Selection is SRC; Strategic Training is ST; Strategic Employee Voice is SEV; Strategic Employee Welfare Services is SEWS; Strategic Reward and Compensation System is SRCS; Human Resource Management Professional Act is HRMP and Employee Performance is EP.

#### 4.6 Testing of hypotheses

This section of the report provides information about testing of the research hypotheses. Where Strategic Recruitment and Selection is SRC; Strategic Training is ST; Strategic Employee Voice is SEV; Strategic Employee Welfare Services is SEWS; Strategic Reward and Compensation System is SRCS; Human Resource Management Professional Act is HRMP and Employee Performance is EP. The hypotheses are tested at 5% level of significance.

### Hypothesis 1: Strategic Recruitment and Selection and Employee Performance

H<sub>01</sub> *Strategic Recruitment and Selection has a positive significant influence on Employee performance in the health sector in Kenya.*

**Table 4.14: Model Summary**

Model	R	R Square	Adjusted R Square
1	.184	.034	.026

From the study findings in Table 4.14, the value of R-Square is 0.034. This implies that, 34% of variation of Employee Performance was explained by Strategic Recruitment and Selection.

**Table 4.15: ANOVA Table**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	6.412	1	6.412	4.077	.040
1	Residual	182.453	116	1.573		
	Total	188.865	117			

a. Dependent Variable: EP

b. Predictors: (Constant), SRS

From the findings in table 4.15; At 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Strategic Recruitment and Selection; is important in predicting of Employee Performance as indicated by significance value=0.040 which is less than 0.05 level of significance ( $p=0.040 < 0.05$ ).

**Table 4.16: Coefficients Model of Strategic Recruitment and Selection**

Model	Unstandardized		Standardized	t	Sig.	
	Coefficients		Coefficients			
	B	Std. Error	Beta			
1	(Constant)	3.308	.431		7.682	.000
	SRS	.204	.100	.184	2.032	.044

a. Dependent Variable: EP

From Table 4.16; the study findings revealed that Strategic Recruitment and Selection had a significant influence on employee performance in health sector in Kenya (t-statistic=2.032, p-value=0.044<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that strategic recruitment and selection had a positive influence on employee performance in the health sector in Kenya. For every unit increase in strategic recruitment and selection there was a corresponding increase in employee performance by 0.204.

### **Hypothesis 2: Strategic training and Employee Performance**

*H0<sub>2</sub>: Strategic training has a positive significant influence of employees performance in the health sector in Kenya*

**Table 4.17: Model Summary for Strategic training**

Model	R	R Square	Std. Error of the Estimate
1	.943	.889	1.45295

From findings in Table 4.17, the value of R-Square is 0.889. This implies that, 88.9% of variation of Employee Performance was explained by Strategic Training.

**Table 4.18: ANOVA Table: Strategic Training**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2006.882	1	2006.882	950.650	.000
	Residual	251.216	119	2.111		
	Total	2258.098	120			

a. Dependent Variable: EP    b. Predictors: ST

From the findings in table 4.18, At 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Strategic Training; is important in predicting of Employee Performance as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000<0.05$ ).

**Table 4.19: Coefficients for Strategic Training**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	4.322		
	ST	.893	.029	.943	30.833	.000

a. Dependent Variable: EP

From Table 4.19, the study revealed that Strategic Training had a significant influence on employee performance in health sector in Kenya ( $t$ -statistic=30.833,  $p$ -value=0.000<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that Strategic training had a positive influence on employee performance in the health sector in Kenya. This again revealed that for every unit increase in Strategic Training there was a corresponding increase in employee performance by 0.893.

### **Hypothesis 3: Employee Welfare Services and Employee Performance**

$H_{03}$     *Strategic Employee Welfare Services has a positive significant influence on employee performance in the health sector in Kenya.*

**Table 4.20: Model Summary for Employee welfare services**

Model	R	R Square	Adjusted R Square
1	.930	.865	.864

From findings in Table 4.20, the value of R-Square is 0.865. This implies that, 86.5% of variation of Employee Performance was explained by Employee welfare services.

**Table 4.21: ANOVA Table: Employee Welfare Services**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1880.886	1	1880.886	738.924	.000
1	Residual	292.725	115	2.545		
	Total	2173.611	116			

a. Dependent Variable: EP

b. Predictors: SEWS

From the findings in table 4.21, At 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Employee welfare services; is important in predicting of Employee Performance as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000<0.05$ ).

**Table 4.22: Coefficients for Employee Welfare Services**

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	3.505	.417		8.405	.000
	SEWS	.793	.028	.932	28.118	.040

a. Dependent Variable: EP

From Table 4.22; the study revealed that Strategic Employee Welfare Services had a significant influence on employee performance in health sector in Kenya (t-statistic=28.118, p-value=0.40<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that Strategic Employee Welfare Services had a positive influence on employee performance in the health sector in Kenya. Likewise for every unit increase in Strategic Employee Welfare Services there was a corresponding increase in employee performance by 0.793.

#### **Hypothesis 4: Strategic Employee Voice and Employee Performance**

H0<sub>4</sub> *Strategic Employee Voice has a positive significant influence in enhancing employee performance in the health sector in Kenya.*

**Table 4.23: Model Summary for Strategic Employee Voice**

Model	R	R Square	Adjusted R Square
1	.950	.903	.902

From findings in Table 4.23, the value of R-Square is 0.903. This implies that, 90.3% of variation of Employee Performance was explained by Strategic Employee Voice.

**Table 4.24: ANOVA Table Strategic Employee Voice**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2008.055	1	2008.055	1089.938	.003
	Residual	215.556	117	1.842		
	Total	2223.611	118			

a. Dependent Variable: EP

b. Predictors: SEV

From the findings in table 4.34, At 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Strategic Employee Voice is important in predicting of Employee Performance as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000<0.05$ ).

**Table 4.25: Coefficients for Strategic Employee Voice**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.080	.696		4.426	.000
	SEV	.894	.027	.951	33.562	.003

a. Dependent Variable: EP

From Table 4.25; the study revealed that Strategic Employee Voice had a significant influence on employee performance in County Hospitals in Kenya (t-statistic=33.562, p-value=0.003<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that Strategic Employee Voice had a positive influence on employee performance in the health sector in Kenya. Again for every unit increase in Strategic Employee Voice there was a corresponding increase in employee performance by 0.894.

**Hypothesis 5: Strategic Reward and Compensation System and Employee Performance**

*H05 Strategic Reward and Compensation System has a positive significant influence on employee performance in the health sector in Kenya*

**Table 4.26: Model Summary for Strategic Reward and Compensation System**

Model	R	R Square	Std. Error of the Estimate
1	.911	.829	1.79663

From findings in Table 4.26, the value of R-Square is 0.829. This implies that, 82.9% of variation of Employee Performance was explained by: Strategic Reward and Compensation System.

**Table 4.27: ANOVA Table Strategic Reward and Compensation System**

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	1802.403	1	1802.403	558.384	.000
1	Residual	371.208	115	3.228		
	Total	2173.611	116			

a. Dependent Variable: EP

b. Predictors: SRCS

From the findings in table 4.27, At 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Strategic Employee Voice is important in predicting of Employee Performance as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000<0.05$ ).

**Table 4.28: Coefficients for Strategic Reward System**

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		B	Std. Error	Beta		
1	(Constant)	4.432	.406		10.907	.000
	SRC	1.266	.052	.913	24.344	.031

a. Dependent Variable: EP

From Table 4.28; the study revealed that Strategic Reward and Compensation System had a significant influence on employee performance in County Hospitals in Kenya (t-statistic=24.344, p-value=0.031<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that Strategic Employee Voice had a positive influence on employee performance in the health sector in Kenya. This means for every unit increase in Strategic Reward and Compensation System there was a corresponding increase in employee performance by 1.266.

#### 4.6.1 Multiple Linear Regression for all variables

**Table 4.29: ANOVA Table**

Model		Sum of Squares	df	Mean Square	F	Sig.	R-Squared
1	Regression	26.481	5	5.296	3.649	.004	0.379
	Residual	158.217	109	1.452			
	Total	184.698	114				

a. Dependent Variable: EP

b. Predictors: (Constant), SEWS, SRC, SEV, SRS, ST

The ANOVA test is used to determine whether the model is important in predicting the Employee Performance. At 0.05 level of significance the ANOVA test indicated that in this model the independent variables namely; Strategic Recruitment and

Selection, Strategic Training; Strategic Employee Voice; Strategic Employee Welfare Services; Strategic Reward and Compensation System variable were predictors of Employee Performance as indicated by significance value=0.005 which is less than 0.05 level of significance ( $p=0.001<0.05$ ).

**Table 4.30: Model coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	3.239	.886		3.657	.000
SRS	.279	.124	.248	2.258	.026
ST	.911	.360	.463	2.534	.013
SEV	.826	.365	.433	2.265	.025
SRC	.199	.133	.140	1.494	.138
SEWS	.144	.082	.161	1.755	.082

From the findings in table 4.31 above; at 5% level of significance, Strategic Recruitment and Selection is a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.026<0.05$ ). Strategic Training was a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.013<0.05$ ). Moderated Strategic Employee Voice was a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.025<0.05$ ). Strategic Reward and Compensation System was not a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.138<0.05$ ), Strategic Employee Welfare Services was a not significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.082<0.05$ )

Where, is Y the dependent variable (Employee Performance in County Hospitals in Kenya),  $X_1$  is Strategic Recruitment and Selection,  $X_2$  is Strategic Training,  $X_3$  is Strategic Employee Voice and  $X_4$  is Strategic Reward and Compensation System and  $X_5$  is Strategic Employee Welfare Services. As per the SPSS generated

regression Table 4.31 the equation ( $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5 X_5 + \epsilon$ ) becomes:

$$Y=3.239+0.279X_1+0.911X_2+0.826X_3+0.199X_4+0.144X_5$$

From the equation above when Strategic Recruitment and Selection is increased by one unit Employee performance will increase by 0.279, a unit increase in Strategic Training will result to 0.911 increase in Employee performance, a unit increase in Strategic Employee Voice will result to 0.826 increase in Employee performance, a unit increase in Strategic Reward and Compensation System will result to 0.199 increase in Employee performance while a unit increase in Strategic Employee Welfare Services will result to 0.144 increase in Employee performance.

### Hypothesis 6: Moderated Multiple Linear Regression

*H0<sub>6</sub> Human resource management professional's Act has significant moderating influence on Strategic Human Resource Management Practices and Employee Performance in the Health Sector in Kenya.*

**Table 4.31: Moderated Model ANOVA Table**

Model	Sum of Squares	df	Mean Square	F	Sig.	R-Squared
1 Regression	25.561	5	5.112	3.569	.005	0.628
Residual	163.304	114	1.432			
Total	188.865	119				

a. Dependent Variable: EP

b. Predictors: (Constant), SEWSMOD, SRCMOD, SRSMOD, STMOD, SEVMOD

The ANOVA test is used to determine whether the model is important in predicting the Organizational performance. At 0.05 level of significance the ANOVA test indicated that in this model that the independent variables namely; moderated (Strategic Recruitment and Selection, Strategic Training; Strategic Employee Voice; Strategic Employee Welfare Services; Strategic Reward and Compensation

System), Human Resource Management Professional Act is the moderating variable were predictors of Employee Performance as indicated by significance value=0.005 which is less than 0.05 level of significance ( $p=0.001<0.05$ ).

**Table 4.32: Moderated Model Coefficients**

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	3.260	.417		7.817	.000
SRSMOD	.056	.027	.294	2.059	.042
STMOD	.146	.063	.643	2.312	.023
SEVMOD	.117	.063	.530	1.870	.064
SRCMOD	.035	.030	.144	1.176	.242
SEWSMOD	.043	.022	.243	1.999	.048

From the findings in Table 4.30 above; at 5% level of significance, Moderated Strategic Recruitment and Selection is a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.042<0.05$ ). Moderated Strategic Training was a significant predictor of Employee Performance in the Health Sector in Kenya where ( $p=0.023<0.05$ ). Moderated Strategic Employee Voice was not a significant predictor of Employee Performance at County Hospitals in Kenya where ( $p=0.064<0.05$ ). Moderated Strategic Reward and Compensation System was not a significant predictor of Employee Performance at health sector in Kenya where ( $p=0.242<0.05$ ), Moderated Strategic Employee Welfare Services was a significant predictor of Employee Performance of health sector in Kenya where ( $p=0.048<0.05$ ).

Where, Y is the dependent variable (Employee Performance in health sector in Kenya),  $X_1$  is Moderated Strategic Recruitment and Selection,  $X_2$  is Moderated Strategic Training,  $X_3$  is Moderated Strategic Employee Voice and  $X_4$  is Moderated Strategic Employee Welfare Services and  $X_5$  is Moderated Strategic Reward and

Compensation System . As per the SPSS generated regression Table 4.21 the equation ( $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \epsilon$ ): becomes :  $Y=3.260+.056 X_1+0.146X_2 +0.117X_3+0.35X_4+.043X_5$

## **4.7 Discussion**

The variables under this study that were discussed were: Strategic recruitment and selection, strategic training, strategic employee voice, strategic employee welfare services, strategic reward and compensations system and Employee performance and the moderating influence of Human Resource Management Professional's Act.

### **4.7.1 Influence of Strategic Recruitment and Selection on Employee Performance**

The study findings indicated that strategic recruitment and selection influenced employee performance in the health sector in Kenya and specifically in the county hospitals in a positive manner. In a correlation analysis in Table 4.13., the findings indicated that there was strong positive and significant relationship between Strategic Recruitment and Selection and Employee Performance in the health sector in Kenya. With a Pearson correlation coefficient  $r=0.684$ ,  $p$ -value  $<0.05$  which was significant at 0.05 level of significance.

It also indicated that whenever the hospitals considered specific qualifications and attitudes of prospective employees which were in line with the culture of the hospitals, there was increase of employee performance which was seen in the quality and speed of work that was performed. This is supported by a study by Sabwami (2013) on the effect of selected HR practices on high performing companies in Kenya. It was found that selective recruitment had a positive and significant effect on employee performance.

The significant positive relationship of strategic recruitment and selection on employee performance in health sector in Kenya then clearly indicated that the health sector need well qualified and skilled employees that will uphold the high level of performance. The selection of right employees with right qualifications and knowledge helps in retaining talented employees and minimizes turnover. This then

brings in focus the strategy of human resource management as an integral part of business or organizational strategy. These findings were also supported by Paul & Anantharaman (2003) who found a link between strategic selection and recruitment process and production of quality products.

It was also found that R&S ensured that the employees with the right qualifications were identified and selected. A stringent Strategic R&S system gave those employees who were selected a sense of elitism, imparted high expectation of performance, and conveyed a message of the importance of people to the organization, Pfeffer (2006) cited by Sabwami (2014). This study is supported by Waiganjo *et al.* (2013) who in their study on selective resourcing saw it as a key component of strategic recruitment and selection that influenced firm performance of corporate organizations in Kenya in the manufacturing sector. The researchers also found that recruiting and selecting the right employees increased employee performance and effectiveness, and contributed to employee retention in the organization.

The majority of respondents in this study agreed that improving employee performance in the health sector in Kenya specifically in county hospitals was very important. They emphasized on the need of improving and strengthening the recruitment policy and that selection methods be put in place that will attract prospective people, with right qualification who could be retained in the sector. A stringent recruitment and selection process enhances employee performance as demonstrated by previous empirical studies. Mutembei *et al.* (2014) in their study on staffing process, found that strategic recruitment and selection positively correlated with employee performance as it brought to the organization employees who matched the abilities of the present human resources and fitted into the existing interpersonal structure, which in the long run lowered training costs. And Chand and Katou (2007) demonstrated that strategic R & S were strongly correlated with profitability and suggested that management of an organization focus on those methods of recruitment, policies, and selection tests for improved employee performance.

The study also revealed that a stringent strategic R&S policy in the hospitals outlined the process of identifying, attracting and selecting suitable and qualified personnel who met the requirements of sector. It also improved employee performance through internal promotion. Respondents interviewed revealed that when new employees were subjected to administration of cognitive employment tests, and their qualifications were matched to specific and available jobs there was a significant positive effect on the quality of work, staff retention was high and employees attitudes improved.

From the informants who were interviewed, the selection panel came up with a job offer to the prospective candidate. Then it was upon the candidate to decide whether the offer and package met his/her expectations. According to (Rioux & Bernthal, 1999), internal candidates make better choices, they are usually accustomed to the organizational culture, have well-developed networks. Organizations can be sure that internal candidates have good motivational fit and do not require extensive orientation. In addition, internal promotions have the power to be more successful because there is more information available to make accurate decisions. Performance records and examples of past work experience can provide enough information to assess future performance.

From the informants interviewed, internal promotion in the county was the major problem and the cause of all strikes, dissatisfaction, and staff turnover. Since the promotions are carried out by the County Service Board, the representation on this board from the health sector is not adequate. It was also revealed by the informants that the sector is not very keen on the internal promotions of employees and this is the major reason for poor performance.

Again candidates from within can be guided through a series of customized development experiences that will ensure success in their future positions. Organizations don't have to guess about the quality of internal candidates' past experiences. Numerous studies support the greater success levels of internal promotions. For example; Senior executives fail, in general, 34 percent of the time when hired from the outside and 24 percent when hired from the inside (Kelly-

Radford, (2001). Internal promotions have a failure rate of 14 percent, and external hires have a failure rate of 22 percent (Rioux & Bernthal, 1999).

Despite the consistency of these findings, the study found from the respondents interviewed that the county hospitals that represent the health sector still continued to look outside to find replacements for critical leadership positions that needed to be filled. It was revealed that the hiring of senior staff or hospital superintendents especially outside the health sector was the cause of staff turnover and demotivation of the existing qualified internal employees. This is supported by the works of Collins' (2001) in his study of "good to great" organizations which revealed that: One of the most damaging trends in recent history is the tendency (especially by boards of directors) to select dazzling, celebrity leaders and not look at the potential upcoming or internal leaders.

According to the study findings; respondents that were interviewed revealed that recruitment and selection of new employees, replacement of retired employees and internal promotions was handled by the County service Boards. This was the cause of skill mismatch, nepotism and unqualified staff that was being experienced in the hospitals and affected performance. Doctors, nurses, lab technicians, radiologist and the entire specific skills in health sector need to be assessed by the people in the same field otherwise the recruitment and selection process in the sector would fail.

Majority of respondents interviewed agreed that some departments (county hospitals) in the health sector are headed by administrators who were not medical professionals. This is where skill mismatch cases are rampant and most strikes taking place are attributed to it. The interviewed respondents revealed that most professionals have been denied internal promotions which have led to high medical staff turnover. Internal Promotion is said to happen when an employee makes a shift in the upward direction in organizational hierarchy and moves to a place of greater responsibility (Dessler, 2008). Internal promotion can make a significant increase in the salary of an employee as well as in the span of authority and control. It will help the competitors to identify the most productive employees in the business world at the same time the employees recognized by their own organization.

From the study findings, it was evident from the respondents interviewed that internal promotion had a significant positive influence on employees in the health sector. Respondents interviewed from county hospitals Bungoma and Kajiado emphasized the need for internal promotion as this retained talented staff in the hospitals. It also boosted their pay rise and staff climbed the ladder of seniority. This is supported by Rosen (1982) who asserted that the deciding factor for the position of any individual in the hierarchy is his talent. The higher the level of talent that a person has the higher will be his position in the hierarchy. Kelly-Radford, (2001), also in her study supported internal promotion and asserted that it carried with it a significant change in the wage package of an employee since it followed a defined set pattern which is outlined in the employment bond- policy. According to Carmichael (1983) internal promotion enhanced the performance of any firm when an employee climbs a promotion ladder on the basis of his seniority and resultantly he or she gets an increased wage rate this motivates the employee and ultimately performance is increased.

#### **4.7.2 Influence of Strategic Training on Employee Performance**

From the regression analysis, the findings of this study indicated a strong positive and significant relationship between strategic training and employee performance in the health sector in Kenya. With a Pearson correlation coefficient  $r=0.485$ ,  $p$ -value  $<0.01$  which was significant at 0.01 level of significance. This implies that increased Strategic Training results in increase of Employee Performance (see table 4.13). Strategic training is an important element in producing highly skilled human capital. Investing in training programmes makes employees feel indebted to the organization and also helps in retaining them.

The study findings revealed that there were two methods of training, on the job training where employees are given training while at their place of work and off the job training method where employees are provided training away from their working place; For example, seminars, workshops and conferences. These then indicated that whenever employees participated in these trainings, there was positive effect on the quality of work at the hospital as the training influenced their knowledge, and enhanced their self esteem and in turn increased their performance.

This is supported by Wallen *et al.* (2013) who indicated that strategic training enabled people to acquire new knowledge, learn new skills and performed tasks better than before. It further went on to reveal that Job training helped an organization create a workforce that is able to cope with change, meet the increasing demands of consumers and prepare its future leadership. Respondents interviewed revealed that off the job training at the hospitals enabled employees to maintain standards and improved their competence that led to increased performance. This is supported by (Hall *et al.*, 2013), who noted that one of the main goals of strategic training methods was to build strong, competent and qualified personnel whose work performance could be felt in both private and public sectors.

The majority of respondents in this study agreed that improving employee performance in the health sector in Kenya specifically in county hospitals was very important. They emphasized on the need of improving and strengthening the training policy. The respondents interviewed emphasized the need for strategic training which they attributed to be the key contributor of the health sector strategy that is based on developing intellectual capital. They also revealed that strategic training developed managerial talent and allowed employees take responsibility for their careers which enabled them to perform better in specific stations in the hospital. Majority of the respondents were of the opinion that needs assessment be carried out before any training takes place. When this is done, employees are trained to fill the gaps and capacity experienced in the health sector.

Majority also agreed that staff needed training opportunities so that they could develop their careers. Respondents interviewed agreed that there was need to invest in employees in order to equip health workers with necessary skills that could help them in carrying out their duties and in handling new responsibilities, develop skills for customer oriented county hospital service, skills that could improve the standards of service delivery; skills that could help them adapt to new technology and new working techniques.

Respondents interviewed from Kangundo and Bungoma availed figures to the interviewee from Ministry of Health Policy document (MOH, 2014) showing that Kenya as a country spends an estimated 5.7 million for every doctor that is educated

from primary school to university, an estimated 4.6 million for every nurse that is educated from primary to college of health sciences. It costs Kshs. 84,436 to 1,149,481 to train a doctor in University, estimated Kshs. 667,307 to train a dentist, and estimated Kshs 595,799 to train a clinical officer and an estimated Kshs. 98,475 to train a diploma nurse. (MOH Policy, 2014).

Respondents interviewed confirmed that it took approximately two to six years to train a medical professional in Kenya. For example, in 2013, approximately 3,500 students enrolled for a 6 – year course in medicine while in the same year an estimated 530 doctors became licensed in the county. In the same year, 2013, there were approximately 3,440 doctors and 34,381 nurses in active service. This means that the ratio of doctors to nurses in active service in 2013 was 1:10. In the same year approximately 3,000 medics left the health sector, approximately 170 retired from the professional, approximately 500 dropped out of medical school, approximately 5,000 migrated to other countries and approximately between 500-2,000 are practicing medicines without license.

The cybernetic theory stresses on the training of employees in order for them to fit in their job description which in turn lead to, improved employee performance. Majority of respondents suggested that employees who were inherited from the county councils be retrained for efficiency. They also intimated that was imperative that training of more health workers be given a priority.

Linking cybernetic theory to health sector, it was noted that employee training was a key area that should be looked into. Trained, doctors, nurses, midwives, IT, lab attendants and in general all health workers in the health sector who are trained are efficient, effective and offer better services to their customers. Majority of respondents interviewed from Kangundo county hospital stressed the need for strategic training for all health workers as this would improve their performance. From the respondents interviewed, they revealed that health sector professionals are rarely trained in management skills during their training. The health professionals who seek to head the hospitals are not trained in these skills when they get on top. This then means that the professionals need the skills to enable them perform better in their work.

The study also revealed that doctors promoted are rarely given formal training for the new roles. It was assumed that health professionals got the skills on the job. From the respondents interviewed, the health professionals train themselves on how to handle staff and there was an opinion that they need to understand all the HRH functions. The double role consumes time for health professionals, reduces employees perception of health professionals and there was little concentration at work because the double role made them get torn between health provision and management duties.

The respondents interviewed intimated that the cost of training a doctor or nurse is high and that is why most doctors are not being taken for further training. Respondents interviewed also confirmed that there was low staff moral which was stifling innovation and is a disincentive for efficient and quality service at the county hospitals. There was a lot of work to be done to shift the entire health care system from analogue to digital mode. Acquiring the latest digital technology was not sufficient to cure the malaise.

The results of this study that there was a positive and significant link between strategic training and employee performance of the health sector in Kenya are consistent with the Human capital theory which suggests that SHRM practices which include strategic training can directly influence employee performance. People possess skills, knowledge and abilities that provide economic value to firms. An organization's investment to increase employee's skills, knowledge and abilities through strategic training could be expensive but usually beneficial when this is eventually realized in their performance.

#### **4.7.3 Influence of Strategic Employee Voice on Employee Performance**

From Table 4.13; the study revealed that Strategic Employee Voice had a strong positive influence on employee performance in health sector in Kenya. Voice is one of the enablers of employee engagement and it can significantly impact Employee performance. With a Pearson correlation coefficient  $r=0.891$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. It indicated that improved Strategic Employee Voice results in improved Employee Performance. The majority of

respondents in this study agreed that improving employee performance in the health sector in Kenya specifically in county hospitals was very important. Just as voice was very important in the health sector in Kenya.

Respondents interviewed were in agreement that improving the policy on voice in the hospitals was very important as this enabled employees put forward their grievances. The use of suggestion boxes and attitude survey was stressed by the respondents interviewed. They suggested that suggestion boxes need to be placed in central places so that every employee would have an access to them. Majority of the respondents did agree that employees are involved in decision making at the county hospitals but this was on a minimal level. They intimated that there was need for elaborate policy on employee participation and involvement and at different levels. This will help the employee participate fully which could improve their performance.

This view is supported by Mueller (2012), who indicated that employee voice in organizations impacts on quality and productivity of employees and inhibits issues that might explode. The extent to which employee voice is included in the policy of the organization is significant than the reporting collective schemes. A study by Machington *et al.* (2012), on employee voice behaviour also is in agreement with this study as it asserted that; it is significant that the extent of voice of employees is at the workplace be recognised as it is usually perceived to affect their performance.

Majority of the respondents agreed that KMPDU and KNUN were trade union that are for medical staff in the health sector. They also agreed that majority had joined this union. They also agreed that the unions represent them well and that there was need for union to be strengthened by being given more voice in the affairs of the entire health sector. The respondents interviewed agreed that there was need for the introduction of joint consultative committees in the hospitals as this would bring both management and unions together.

This view is supported by (Hall *et al.*, 2013), who argued that the voice of employees could be in the form of joint consultation that involved managers and

employee representatives who meet regularly for purposes of exchanging views, making good use of members' knowledge and expertise and discuss or handle on issues of mutual interest. Mesh *et al.* (2007), also supports this by indicating that trade unions is a collective voice of workers and the said unions make workers wishes known to the management of the organization.

Majority of respondents interviewed praised Kenya Medical Practitioners Pharmacists and Dentists Union (KMPPDU) and Kenyan National Union of Nurses (KNUN) which are the major voice that the health employees use to express their concerns or grievances. The collective consultation processes, is an important channel for employees to give their feedback on key topics or issues with new ideas. This view is supported by studies carried out by (McDuffie & Pil, 2010), which revealed that allowing employees to participate in decision making led to increase in motivation, and job performance. And Studies reviewed by Ojukuku *et al.* (2014), showed evidence that employee participation in decision making should be recognized as a managerial tool for improving their performance. This can only be achieved by letting employees' input in developing the mission statement, establishing policies and procedures, pay determination, matters to do with promotion and even matters concerning employee benefits.

#### **4.7.4 Influence of Strategic Welfare Services on Employee performance**

The study findings in Table 4.16, revealed that Strategic Employee Welfare Services had a significant influence on employee performance in health sector in Kenya (t-statistic=28.118, p-value=0.40<0.05). Therefore at 5% level of significance the null hypothesis was not rejected, indicating that Strategic Employee Welfare Services had a positive influence on employee performance in the health sector in Kenya. Likewise for every unit increase in Strategic Employee Welfare Services there was a corresponding increase in employee performance by 0.793. In Table 4.13, there was strong positive and significant relationship between Strategic Employee Welfare Services and Employee Performance. With a Pearson correlation coefficient  $r=0.648$ , p-value <0.05 which was significant at 0.05 level of significance. This indicates that improved Strategic Employee Welfare Services leads to improved Employee Performance. Majority of the respondents agreed that welfare services

had a positive significant influence on employee performance in the health sector. They also noted that Welfare services encompass a desirable state of existence involving physical, mental, moral and emotional well-being of an employee. The respondents interviewed agreed that there existed a policy that catered for employees and that it included; housing, transport, medical insurance, pension schemes, family leave and canteens, sick days, child care programs wellness programmes monitoring working conditions.

These services when implemented well enabled employees to perform better at their workstations in the hospital. This is supported by Stratton, (2009) who indicated that those welfare facilities and services, improved employee performance and that Child care programs helped attract and retain employees that have young children. The study by Okumbe, (2010) also supports this by intimating that Organizations that put in place child-care centers within the premises minimizes stress that is brought about by rearing and immensely increases productivity. Majority of the interviewed respondents agreed that medical insurance coverage was one of the welfare services that improved employee performance. Due to the high cost of hospitalization, surgical and maternity care, it had become necessary that employees be cushioned against these costs putting in place Medical insurance and that employees covered medically be insurance satisfied with their service being translated into effective performance. This is supported by a comparative Study carried out by (Masinde, 2011), on the effects of social welfare facilities on employee motivation and performance in Pan African Paper Mills and Mumias Sugar Company. The study affirmed that a relationship existed between welfare services and employee performance, and that employees whose welfare was catered for performed better with minimum stress.

#### **4.7.5 Strategic Reward System on Employee Performance**

From Table 4.13; the study revealed that Strategic Reward and Compensation System had a strong positive influence on employee performance in health sector in Kenya. With a Pearson correlation coefficient  $r=0.569$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This implies that improved Strategic Reward and Compensation System results improved Employee Performance. A

strategic reward and compensation system has four elements: rewards need to satisfy the basic needs of all employees; rewards need to be included in the system and be comparable to the ones offered by a competitive organization in the same area; rewards need to be available to people in the same positions and be distributed fairly and equitably.

Majority of the respondents agreed that their salary scales were comparable across the units/sections in the health sector and attractive allowance, rewards and or incentives had a positive influence on employee performance. Most of the interviewed respondents in Bungoma county hospital and Kangundo revealed that when the health workers were rewarded of paid allowances especially hardship allowed, their performance increased and they were enthusiastic when working. The quality of work and services were excellent and some even opted to work beyond their normal shifts.

This is supported by the study by (Zakaria, 2011) who indicated that a reward and compensation strategy motivates employees and enhanced commitment, retention and employee engagement that eventually translated into employee performance. This is also supported by (Ngu, 2014), who indicated that performance related pay is an effective motivator and conveys a clear message that high levels of an employee performance is expected and will be rewarded. An empirical study by (Hall *et al.*, 2013), proved that incentives increased the value people attached to work goal.

Maund, (2001) also supports this view as the researcher indicated that rewards could be used to improve performance by setting targets in relation to the work given which could be by means of additional amount on the employee's salary. Finally (Torrington & Hall, 2006) also supports this by indicating that managers take time to meet and recognise employees who have performed well, as it plays a big role in enhancing employees' performance.

#### **4.7.6 Human Resource Management Professional's Act and Employee Performance**

The study established that there was weak positive and significant relationship between Human Resource Management Professional Act and Employee Performance. With a Pearson correlation coefficient  $r=0.236$ ,  $p\text{-value} < 0.05$  which was significant at 0.05 level of significance. This implies that Human Resource Management Professional Act leads to improved Employee Performance. Majority of the respondents agreed that they were not aware of the existence of the Act in the Health sector. They also agreed that though they have read about it and heard of it, most of them had not subscribed to the Act as they are mainly in the health sector. The respondents interviewed agreed that the Act was a good thing as it could help them instil professionalism and streamline the HR function into their work in the sector. The Act is meant to mainstream and recognize the function of HRM in the government departments and at the same time an objective to weed out quacks in the human resource function. This is supported by (Apwoka *et al.*, 2015) whose study established that the implementation of the HRMP Act is unclear in respect to training of HR practitioners in Nakuru County. But this study established that training strategies as stipulated in the Human Resource management Professional's (Act, 2012) are very effective when employees get trained on the jobs for additional capabilities in their current and future positions. The null hypothesis was accepted.

#### **4.7.7 Employee performance**

A high level of quality work is very key if the health sector need to continue to attract and retain its workforce and customers. Quality of work means satisfaction of the workforce and customers needs through resources, activities and outcomes that arise from involvement in the workplace. From the respondents interviewed, employee performance in the hospitals was generally wanting, the quality of work was poor. This was attributed to poor internal promotion structure that was not catering for the staff. Staff viewed promotion as a reward that offers higher payment.

This is supported by Normala (2009) who indicated that the key constituents of quality of work comes from higher payment, job security, better rewards, growth opportunity and participation, and any organization that does not provide the above experiences poor quality of work. From the respondents interviewed, the study found out that some health sector is one institution that is expanding in the area of technology. Equipment like cancer machines, which were installed recently require employees that are competent and cannot function alone. This is supported by Sivakumaran (2013) who indicated that advancing in technology does not mean human capital is not important. Machines cannot substitute humans. The contribution made by specialized human capital in the health sector is very important. Employees only need to have the ability to follow and implement safe and ethical practices with highest level of technical competency. From respondents interviewed, the study found out that health workers performance was poor because recruitment selection was handled by the county service boards and was biased, internal promotion was carried out in a nepotistic manner.

The training policy was not followed and this is what caused confusion in training right people for the right jobs. The KMPPDU and KNUN which are unions that represent health workers are not given enough voice to participate and involve in key decisions at the individual hospitals this hampered proper representation of their clients. The acquisition of Sh 38 billion medical equipment in 2013 was expected to serve as a turning point for medical services in Kenya. The managed Equipment Services (MES) deal targeted to equip two hospitals in each of our 47 counties with dialysis and cancer detection machines.

Devolved medical services were to act as a further booster in strengthening health care services across the country allowing each county to address its unique challenges. However, from the respondents interviewed, this has failed as the counties are unable meet the demand for better remuneration and improved terms of service which eventually leads to strikes that cause deaths. The respondents interviewed revealed that there was a problem in the county hospitals that need to be addressed urgently in order to improve employee performance. Some respondents mentioned were, lack of medical stores, poor staff and working condition, poor remuneration, poor internal promotions that are skewed, theft of drugs. There are

machines but with no trained staff to manage them. The respondents revealed that there is need for the county governments and the national government resolve these challenges that are impeding service delivery as they are impacting negatively on the economy of the county.

Human capital in the health sector was very important and so they should be taken care of holistically to offer better performance in this sector regarded as the backbone of a functional economy. This is supported by Sivakumaran (2013) who indicated that technological advancement cannot work alone without manpower in hospitals. He also noted that latest modern technologies cannot substitute the contribution made by specialized manpower in the healthcare industry. He noted also that shortage, of workforce, training and retention of employees managing young staff and accountability are very important.

Majority of the respondents interviewed attributed the poor employee performance to the way the health sector was devolved. The set process was that devolution in the health sector would take three years but as it were it was devolved fairly quickly and everything was sent to the county governments without proper structures. They also added that this has become a weakness in the devolution as structures were not available to absorb these decisions that included taking care of the human resource in the health sector in these county hospitals. Majority of respondents interviewed emphasized that there was need for the KMPPDU and KNUN to be represented in the County Service Board so as to enhance the service delivery at the county hospitals. They also emphasized that the county health sector be lead by a qualified person with medical background who understands the sector very well. They further intimated that they preferred going back to the central government rather than the county.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

The study sought to establish the influence of strategic human resource management practices on employee performance in the health sector in Kenya. This chapter summarizes the findings and conclusions that were drawn from the study. The summary, conclusions and recommendations are presented in line with the objectives of the study.

#### **5.2 Summary**

The researcher summarized the research findings in the order of study objectives. The aim of summarizing was to enable the researcher come up with key findings of the study from which conclusions would be drawn. The researcher carried out the study in four county hospitals across the country which represented the health sector in Kenya. Though the study was county hospitals, the researcher's main aim was to gain insight of the health sector' employee performance and the human resource management practices that influenced the performance.

##### **5.2.1 Influence of Strategic Recruitment and Selection on Employee Performance**

The specific objective was to determine whether strategic recruitment and selection influenced employee performance in the health sector in Kenya. Descriptive and inferential statistical methods were used to arrive at the findings. Several indicators were used on which the study established that fairness and transparency was not followed in the county hospitals when recruitment and selection was done. This held the highest score of 88%. It was also established that valid and standardized tests were not being used when recruiting and selecting employees; this indicator scored the highest percentage. Internal promotion was found to be lacking for experienced staff with the highest score. The study also established that no employment tests for example aptitude, skill tests and mental/cognitive were in place at the county

hospitals. The study also established that though the hospitals had a recruitment and selection policy, it was not in force which had resulted into high employee turnover of staff that were experienced and talented.

### **5.2.2 Influence of Strategic Training on Employee Performance**

The specific objective was to establish whether strategic training influenced employee performance in the health sector in Kenya. Again, descriptive and inferential statistical methods were used to arrive at the findings. The study established that training policy was in force with the highest score of staff who consented. Even although it was found that the policy was only on paper and not in force. Another indicator on strategic training was staff development which respondents strongly disagreed and indicated that the county hospitals did not have staff development procedures, policy or guidelines. The study also established that the use of technology by county hospital staff was very poor admitting that they had not been trained on use of some equipment in the hospitals; for example the cancer machines, e-procurement, e-payments.

It was also established that county hospitals did not organize seminars or workshops for employees where they could have some in-house training that would embrace interactions and brainstorming of pertinent issues. Training budget was one of the indicators that was looked at and the study established that although the hospitals had a budget, it was diverted to some other issues other than what it was meant for. The study established that there was no training needs assessment for training employees of the county hospitals. And without the training needs assessment, there was no way management would know whom to train.

### **5.2.3 Influence of Strategic Employee Voice on Employee Performance**

The specific objective was to establish whether strategic employee voice influenced employee performance in the health sector in Kenya. The researcher once again used descriptive and inferential statistical methods to arrive at the findings. The study established that county hospitals allowed its employees to participate and got involved in some decision making at the hospitals. It was also established that employees at the county hospitals were not consulted by their employers before

making key decision on issues that touched on them. It was also established that employees in county hospitals did not voice their issues and or matters concerning them in a conducive manner. The environment was hostile to them.

It was also established that employee attitude surveys were never carried out annually and that there were no suggestion boxes placed in key or strategic or central points that could be accessed by employees. The study also established that most hospital employees were members of KMPDU and KNUN. The county hospitals management were found not to hold regular meetings with its staff and that there was no administration of attitude survey to employees that elicited ideas from them. The study also established that there were no proper and intensive consultations and there were and no work-councils where employees could participate fully. Management was very rigid and victimized especially union members who spoke up on key issues that concerned employees, this had led to constant strikes by health workers.

#### **5.2.4 Influence of Strategic Employee Welfare Services on Employee Performance**

The specific objective was to determine whether strategic employee welfare services influenced employee performance in the health sector in Kenya. Descriptive and inferential statistical methods were used to arrive at the findings. The study established that the county hospitals had a policy in place that handled staff welfare. It was also established that county hospitals provided health services to staff and that the hospitals had partnered with insurance companies. They had also partnered with their counterparts in faith based health sectors and private hospitals in areas of staff welfare. The study also established that the hospitals had a pension scheme for their staff. The hospitals provided family and maternity leave for its staff. But employees were of the opinion that the management could come up with a policy on work life balance which would boost employee performance.

### **5.2.5 Influence of Strategic Reward system on Employee Performance**

The specific objective was to determine whether strategic reward and compensation system influenced employee performance in the health sector in Kenya. The researcher likewise used both descriptive and inferential statistical methods to arrive at the findings. The study established that the county hospitals had a reward and compensation system. The county hospitals' salary scales are comparable with other hospitals. The study also established that incentives being given by the county hospital had not motivated employees. There were no bonuses and allowances especially to those employees worked in risky sections and environments/areas like laboratories. The hardship allowances for employees who were working in very risky areas. It was also established that if the hospital had good rewards and compensation, and if they paid allowances for concerned employees, it could positively influence the performance of the employees. The study established that this was one reason why the unions were insisting on the implementation of the 2013/2017 CBA.

### **5.2.6 Moderating Influence of the Human Resource Management's Professional's Act on the relationship between Strategic Human Resource Management Practices and Employee Performance**

The specific objective was to establish the moderating influence of Human resource management professional's Act on the relationship between strategic human resource management practices and employee performance in the health sector in Kenya. The researcher once again used both descriptive and inferential statistical methods to arrive at the findings. The study established that employees in the health sector were not aware of any Act on human resource management professional. It was also established that most of employees had not subscribed as members of the institute of human resource management (IHRM), where the Act emanate from. The researcher established that since employees were not aware of the act, they could not tell whether implementation of the HRMP Act improved employee performance in the hospitals.

### **5.3 Conclusion**

The study determined that strategic recruitment and selection influenced employee performance in the health sector in Kenya. It was therefore concluded that the top management had the responsibility to introduce indicators that could attract and retain new staff that were talented. Internal promotion especially for employees who were qualified could be enhanced to improve and boost employee morale. When selecting new staff, transparency, several tests like aptitude, cognitive and skill tests, behavioural tests could be included in the recruitment and selection criteria. The study also concluded that policy on recruitment and selection could be enhanced and adhered to for a clean process. Aptitude and cognitive tests that included behaviour tests were very important as the health sector was a very sensitive sector that handled the health/life of people.

The study established that the implementation of strategic training wholly influenced employee performance. It was therefore concluded that, there was need for training and needs assessment programs that could ascertain those employees that required to be trained. There was also need for a well planned training program as it enhanced capacity. There was need for training programmes to be emphasized for all employees because it improved their skills and attitudes.

This was to be followed with continuous review and evaluation to ascertain the relevance of the training. It made employees to be in tandem with the changing environment. It was also concluded that staff could be given opportunity develop themselves by offering them study leave, that would be paid for by the health sector management. The training budget and policy to be followed and adhered to. In regard to the budget and policy, it was concluded that health sector needed to implement budget policy and adhere to it, this would discourage misuse or misallocation of funds.

The study determined that strategic employee voice influence employee performance in health sector in Kenya. It can therefore be concluded that employees in county hospitals did not voice their issues and on matters concerning them in a conducive manner and that the environment was hostile to them. The management

are encouraged to have a conducive environment free from abuse enabled employee's air their views or issues. The views aired by employees could be beneficial to improvement of the hospital. Employees who aired their views especially displeasure views should not be victimized as some of the views emanate from frustration of work environment.

It was also concluded that employees be encouraged to join their union – KMPPDU through which they could voice their issues collectively. Speaking up was very important as it reduced tension in employees. Speaking up also boosted organizational culture that encouraged employees do their work effectively and efficiently. New employees who adopted the culture of the organization gave the hospital a competitive advantage under a particular condition.

The study established that strategic welfare services influenced employee performance in the health sector in Kenya. It was therefore concluded that welfare services were very important to an employee as it improved the employee performance holistically. The study concluded that welfare services for example work-life-balance programs be looked into. These programs recognised that employees had an important family and obligations that competed with their workplace commitment and they therefore needed some level of flexibility in their work schedules in order to stabilise these needs.

Work Life Balance (WLB) made organizations attractive and boosted retention of talented employees .It also increased performance or productivity of employees particularly those who had strong family ties and who looked for an organization that supported their life outside the workplace. Medical insurance, family leave and maternity/paternity leave were very important. The health sector could put in place a strong WLB policy that retained talented staff and improved performance in the hospitals.

Child care programs helped attract and retained employees that had young children. Organizations that put in place a child-care centre within their premises minimized stress that was brought about by rearing. It also immensely increased productivity (Okumbe 2010). This gave the worker security at work and improved the

employees' performance. The study established that strategic reward and compensation system influenced employee performance in the health sector in Kenya.

It was therefore concluded that having a strong reward system retained talented staff. It was also concluded that bonus payments and incentives were based on individual employee performance but they were lacking at the health sector. Though the salaries were comparable to other hospitals, there were staff like the doctors and nurses who worked long hours and yet they were never compensated, rewarded nor given any bonuses. It was concluded that the hospital could ensure that bonus payments were made to individual employees and that they could be proportionate to their work performance. It was also concluded that the health sector could have well structured and effective employee reward and compensation systems that could be all inclusive. The study established the influence of human resource management professional's Act on the relationship between strategic human resource management practices and employee performance in the health sector in Kenya.

It was therefore concluded that the Act was very important and it spelt out policies and guidelines human resource managers should adhere to. The Act was enacted in 2012 and spelt out the professional conduct of human resources which included human resource for health (HRH) managers. It helped HRM instil professionalism and streamlined the HR function into their work at all levels within the organizations. The study concluded that the human resource managers in the health sector could enforce the Act in the respective hospitals.

Employees needed to be educated on the importance of the Act and policies that were spelt in the Act. This could help employees understand how the HRH function worked. The study also established that the Ministry of health was in the process of transferring doctors to work on a short term basis and the National Government catered for their salaries. Doctors were to work on a three –month rotational basis. This could be one of the issues that had led to overworked staff (doctors and nurses) low capacity in hospitals and hospital staff having to centres of authority (National and County governments Authority).

## **5.4 Recommendations**

The researcher has suggested pertinent recommendation citing information from theoretical review and the study findings in line with specific objectives of the study. The main objectives were influence of strategic recruitment and selection, strategic training, strategic welfare services, strategic employee voice, strategic reward and compensation systems on employee performance in the health sector in Kenya. The study recommends that the strategic human resource management practices that the study carried out be adopted and this will improve performance of employees not only in the studies hospitals but the entire health sector. For example, employees with qualifications can be subjected to internal promotion to improve employee work performance. Competency tests that include aptitude, skills tests, cognitive should be included in the criteria for recruitment and selection where the policy could be adhered to the later. Policy and criteria to be enforced. employees who were hired on contractual and or casual basis, they should be considered for fixed term/permanent employment. The study recommends that the health sector streamlines the area of contractual, casual staff and employee them people on a permanent basis. Another area that needs streamlining is staff who were inherited from the former county councils. The health sector could also ask the exchequer for more capitations to realise this issue.

Strategic training was a key factor that influenced employee performance in the county hospitals. The study recommends that the health sector should offer employee training based on long term needs, retrain those that were inherited form the former county councils to make them relevant, audit employees by using job analysis and evaluation programmes which could help them understand and train relevant staff that would improve the health sector performance not forgetting staff development too.

Training needs assessment could be carried out before any training programs began. An annual budget on training should be included in the training policy. Training could include for example; on the job training, specific training and vocational training. Training was very important as it retained talent in the health sector. Training presents a good opportunity to increase the knowledge base of staff, but

most employers generally find this expensive. Staff usually miss out on work while attending training which resulted in delaying timeline projects. The hospitals could consider offering talented staff scholarships to develop themselves for the purposes of performing better at their work.

Nevertheless the study found out from the respondents interviewed that strategic training was beneficial to both the health sector and the individual employee, this is a worthwhile investment. Health workers who were trained were equipped with modern skills that were very significant for the operations, effectiveness and efficiency of the organization. The study recommends that WLB that encompassed all activities that employees yearn for be put in place as this could steer the performance of employees not only in county hospital, the entire health sector.

Strategic employee voice was also found to be an influencing factor on employee performance in the health sector in Kenya. The study recommends that employee voice mechanisms be put in place in the hospitals to steer employee performance. Employee voice in organizations impacted on quality and productivity of employees and inhibited issues that could explode . Employee participation allows workers to put some influence over their work and the conditions under which they worked. Strategic reward and compensation system was another factor that the study found to influence employee performance. The study recommends that the health sector puts in place a sound reward system that could attract and retain competent doctors, nurses and other administrative staff.

#### **5.4.1 Policy Recommendations**

MoH should provide a favorable working environment for staff in all levels of government as well as incentives and development of appropriate policies to inform management and leadership. The National HRH Strategic Plan should be widely disseminated and operationalised since it will greatly contribute towards better management of the workforce in the health sector in Kenya.

The government addresses the issue of delinking. This will help the Health workforce know whom they are reporting to whether county executives or the

National government. Since Health sector is one of the pillars of vision 2030, the government should provide enough funds

### **5.5 Areas for Further Research**

The researcher suggests further research to be conducted to investigate other factors which influenced employee performance for example, environmental factors like infrastructure, facilities and location. Other scholars could also evaluate external factors that influence employee performance in the health sector in Kenya. A study could be carried out in both public and private hospitals to generalize what influence employee performance. Hospital service delivery required strong governance, appropriate financing, a functional supply chain, sufficient commodities, accessible health facilities and an adequate and strong health workforce. The aim is a robust health system through which the health workforce could deliver quality service to patient care.

The study established that the environment with which the health workers carried out their duties was wanting. The researcher noted that no study had been carried out on environmental factors that influenced employee performance in the health sector. The researcher also noted that senior health workers like doctors, and hospital superintendents at the county hospitals were still under the National Government. This contributed to the poor performance of employees. A study to be carried out on devolvement of health sector in Kenya. Based on the findings, study recommends further research be carried out in private hospitals to generalise the influence of SHRM practices on employee performance. There is also need for a study to be carried out on the evaluation of external factors that influence employee performance in the county public hospitals in Kenya for generalization.

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**APPENDICES**

**Appendix i: Questionnaire**

**INFLUENCE OF STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN THE HEALTH SECTOR IN KENYA**

The questionnaire is intended to collect information on Influence of Strategic Human Resource Management Practices on Employee Performance in devolved health sector in Kenya.

**SECTION A: PERSONAL DATA**

1. What is your gender                      Male ( )      Female                      ( )  
Indicate/tick your age group.  
    Below 30 years                      ( )      30-40 years                      ( )  
    50-60 years                      ( )  
  
    Over 60 years ( )
2. What is your level of education?  
  
Primary                      ( )      Secondary                      ( )      Middle College                      (                      )  
University                      ( )  
  
Other .....  
  
3. Length of Service in the Devolved Health Sector in County Government  
  
Between 1-5 years                      ( )      5-10 years                      ( )      over 10 years                      ( )
4. What department do you work in at the County hospital?  
.....
5. What is your job title in the County Government hospital?  
.....

**SECTION B:**

**The questionnaire will be used to analyze the influence of Strategic Human Resource Management Practices on the Employee Performance in Devolved Health Sector in Kenya. Kindly take some time attempt all the questions.**

**STRATEGIC RECRUITMENT AND SELECTION**

6. My hospital has a recruitment and selection Policy.

Yes  No

7. If yes in above List the main items in the Policy

.....  
.....

8. Prior to implementation of the policy, what was your hospital's employee turnover level?

Approximately %

9. After implementation of the policy, what is the level of your employee turnover at the hospital?

Approximately %

**On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns the county hospital**

**5= strongly agree    4= agree    3=Neither agree nor disagree    2= Strongly Disagree    1= Disagree**

	<i>Opinion Item indicator</i>	<i>5</i>	<i>4</i>	<i>3</i>	<i>2</i>	<i>1</i>
9.	Transparency and fairness is following when recruiting and selecting hiring employees					
10	Valid and standardized tests are used when required in the selection process					
11	Promotions are frequently done in a transparent manner					
12	The County Hospital recruitment process ensures that very qualified candidates are attracted					
13	Internal promotion is considered for those with experience and qualifications					
14	Attitude towards work is used as a criteria in employee selection					
15.	New employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection					

16. In your own opinion, what are some other tests that you think the hospital should put in place to enhance employee performance.

.....

.....

**STRATEGIC TRAINING**

17. My hospital has a training programme policy:

Yes  No

18. If yes in above how has this policy affected employee s’ quality of work at the hospital?

.....  
 .....

19. Prior to implementation of the training policy, what was the level of your hospitals quality of work? %

20. After the implementation of the training policy, what is the level of quality of work in the hospital? Approximately %

**On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which your agree or disagree with tthe following statements as concerns the county hospital**

**5= strongly agree 4= Agree 3= Neither agree nor disagree 2= strongly Disagree**

**1= Disagree**

	<i>Opinion Item indicator</i>	5	5	3	2	1
21.	The county hospital has a staff development programmes in place					
22.	Staff at the hospital have been trained on use of technology for efficiency					
23.	The county hospital organizes seminars, workshops for its employees					
24.	The county hospital has a training budget every financial year					
25	A needs assessment for training is done before choosing employees to be trained					
26	Training employees improves their work performance					

27. State ways in which your county hospital facilitates training for its employees to perform better in their work.

.....  
.....

**STRATEGIC EMPLOYEE VOICE**

28. My county hospital allows employees to participate and get involved in key decision making?

Yes  No

29. If yes in above list some of the ways the county hospital employs in involving employees?

.....  
.....

30. Before employees were allowed to participate and get involved in key decisions of the hospital, what was the level of quality of work?

Approximately %

31. After employee involvement and participation in key decision at the hospital, what is the level of quality of work?

Approximately %

<p><b>On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which your agree or disagree with the following statements as concerns the county hospital</b></p> <p><b>5= strongly agree 4= agree 3= Neither agree nor disagree 2= strongly disagree 1= disagree</b></p>						
	<i>Opinion Item indicator</i>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
32.	Hospital's employees are consulted by management before making decision on issues touching on them					
33.	Employees are involved in decision making					
34.	Employees usually voice their issues in a conducive environment					
35.	Employees sit on several committees participate in key decision making					
36.	Employee attitude surveys are carried out annually					
37.	Suggestion boxes(schemes) are placed in central places for use by employees to contribute ideas for improvement					
38.	Hospital employees are members of medical trade union (KMDPU)					
39.	The county management holds regular meeting with its employees					
40.	Employees are routinely administered with attitude surveys to identify and correct employee work performance problems					

41. How can employee participation be improved in your county hospital

.....

.....

42. Which employee participation/involvement methods are used in your county hospital to improve their performance?

.....

.....

**STRATEGIC EMPLOYEE WELFARE SERVICES**

43. My county hospital has a policy on welfare services for employees?

Yes  No

44. If yes in above how has the welfare services affected employee work performance at the hospital?

.....  
.....

45. Prior to the implementation of welfare services policy, what was the hospital's level on work improvement?

Approximately %

46. After the implementation of welfare services policy what is the level of work improvement ?

Approximately %

**On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns the county hospital**

**5= Strongly agree 4= Agree 3= Neither agree nor disagree 2= Strongly Disagree 1= Disagree**

	<i>Opinion Item indicator</i>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
47.	The county hospital provides health services to staff					
48	The county hospital has partnered with health insurance organizations and hospitals for staff healthcare					
49.	The county hospital has an all round Work-Life-Balance system					
50.	The hospital has a pension scheme facility for its staff					
51	The hospital gives family and maternity leave to its staff					

52. List the welfare programs/services that are offered by county hospital.

.....

.....

53. In your own opinion what are some of welfare services that the hospital can adopt to improve employee performance.

.....

.....

**STRATEGIC REWARD AND COMPENSATION SYSTEM**

54. My hospital has a reward and compensation system in place?

Yes  No

55. If yes in above, how has this reward and compensation system affected the productivity of employees?

.....  
 .....

56. Prior to the implementation of this system, what was the production level of the hospital?

Approximately %

57 After the implementation of the system, what is the production level of employees

Approximately %

**On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns the county hospital**

**5= strongly agree 4= agree 3= Neither agree nor disagree 2= strongly disagree**

**1= disagree**

	<i>Opinion Item indicator</i>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
58.	The county hospital's salary scales are comparable to other counties					
59.	Incentives given to the employees motivates employees and enhances performance					
60.	The county hospital has a competitive reward and compensation system					
61.	In the hospital, compensation for employees is directly linked to his/her performance					
62.	Rewards offered by the hospital have an effect on employee performance					
63.	Good rewards have a positive effect on the employee performance of the hospital					

64. In your own opinion, what are some of the reward and compensation methods that you think the hospital can adopt to improve employee performance.

.....

.....

**HUMAN RESOURCE MANAGEMENT PROFESSIONAL’S ACT.**

65 My hospital has HRMP Act 2012 in place?

Yes  No

66. If yes in above, list some of the items in the Act.

.....

.....

<b>On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns the county hospital</b>						
<b>5= strongly agree 4= agree 3= Neither agree nor disagree 2= strongly disagree 1= disagree</b>						
	<i>Opinion Item indicator</i>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
67.	Are you aware that there exists a HRMP Act in Kenya?					
68.	I have subscribed to the HRMP 2012 Act					
69.	Are you a member the Institute of human resource management					
70.	The implementation of the act has improved employee performance in the county hospital					

71. In your opinion, what are some of the ways that should have been included in the Act, to enhance employee performance of your county hospital?

.....

**SECTION C: Employee Performance**

<p><b>On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns the county hospital</b></p> <p><b>5= strongly agree 4= agree 3= Neither agree nor disagree 2= strongly disagree 1= disagree</b></p>		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
72	Staff turnover has decreased in this hospital due to efficient use of human resource practices that motivate, attract and retain us in this hospital.					
73	Employees in this hospital are leaving their jobs to look for greener pastures elsewhere					
74	The customer feedback reports indicates positive results about the employee's services					
75	The employees in this hospital are satisfied with their day to day responsibilities and activities					
76	The employees attitude towards work has improved					
77	The quality of work provided by the employees in this hospital is exceptional					
78	Employees in this hospital provide efficient services to their customers and the customers are very happy about this exemplary service					
79	I am satisfied with my job position and the responsibilities that I perform in this hospital					

80. Which are the practices of SHRM practiced in your county hospital?

.....  
 .....

81. In your own opinion, what are some of the indicators of Staff turnover in your county hospital?

.....

.....

.....

## **Appendix ii: Letter of Introduction**

### **To Whom It May Concern**

Dear Sir/Madam,

I am PhD student at Jomo Kenyatta University of Agriculture and Technology, Department of Entrepreneurship and Procurement. The title of my study is: ***Influence of Strategic Human Resource Management Practices Employee Performance In Health Sector in Kenya.*** Specifically i will examine the use of strategic recruitment and selection, strategic training practices, strategic employee voice welfare services and strategic reward systems on employee performance.

As part of the PhD program requirement, the researcher is supposed to collect data. It is my humble request that you agree to participate in this survey, through filling the questionnaire provided. The information provided will only be used for academic purposes and will be treated with a high level of confidentiality.

Thank you for taking your valuable time to complete this questionnaire.

Yours faithfully,

Felistus Hildah Makhamara

### **Appendix iii: Interview Guide Questions**

1. How long have you been working in the County hospital (Years)
2. How do you carry out your recruitment and selection at the hospital?
3. How has recruitment and selection process affected you in your performance
4. How often does the county hospital conduct its staff training and if there are any scholarships
5. What are some of the ways you engage employees to participate in What type of Unions are found at the hospital ?
6. What welfare services does the hospital put in place to its employees?
7. How is your salary scales compared to other counties' hospital?
8. In what ways do you involve your employees in decision making your county
9. What are some of the key issues that is affecting employee performance in your county
10. Which are some of challenges face the implementation of HRMP Act at the hospital?

**Appendix vi: Map and Location of all the County Governments in Kenya**



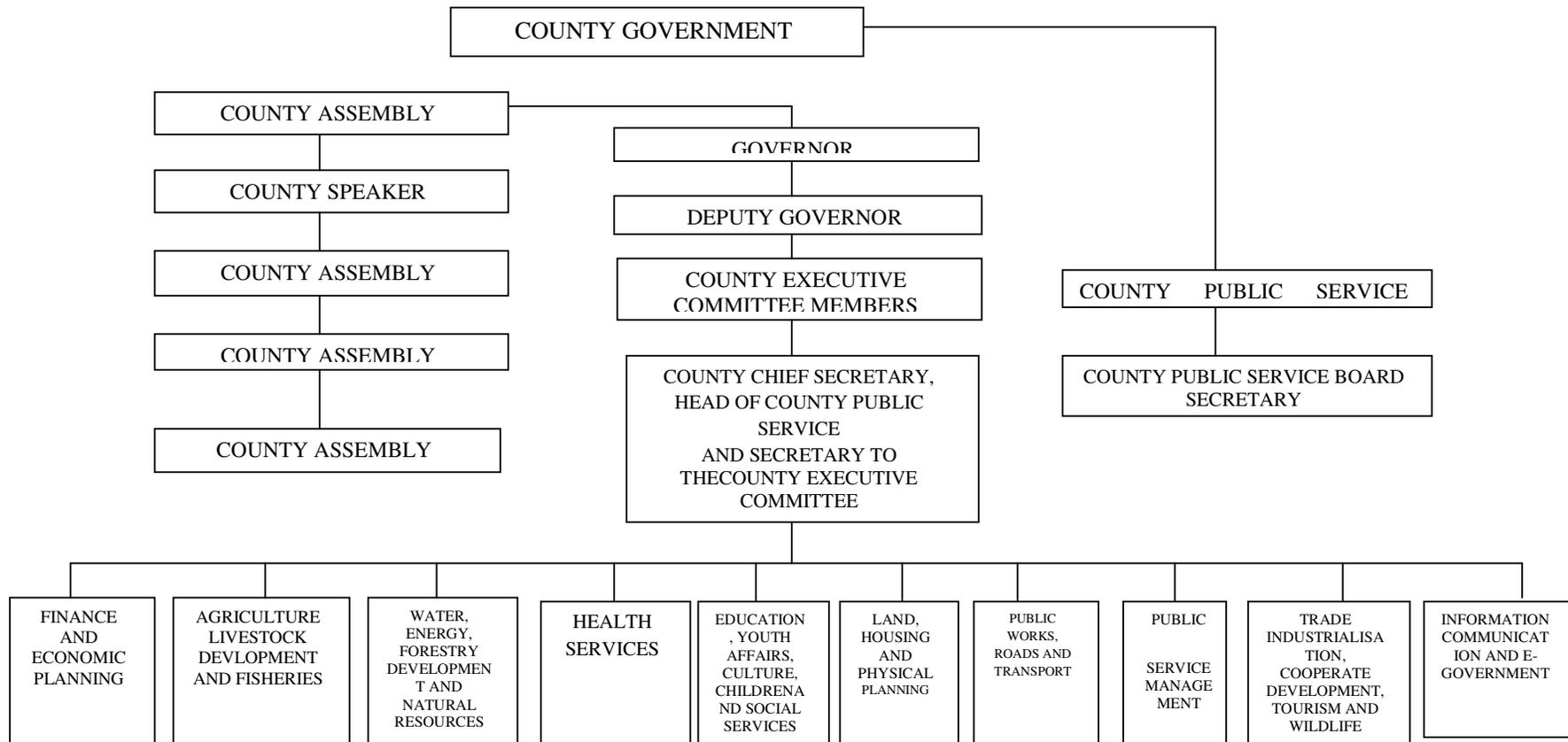
**Appendix v: List of Hospitals**

Bungoma District Hospital	}	Bungoma Hospital
Webuye District Hospital		
Mt. Elgon District Hospital		
Kimilili District Hospital		
Kakamega Provincial Hospital	}	Kakamega Hospital
Iguhu District Hospital		
Malava District Hospital		
Lugari District Hospital		
Lumakanda District Hospital		
Butere District Hospital		
Machakos Provincial Hospital	}	Kangundo Hospital
Kangundo District Hospital		
Mwala District Hospital		
Kathiani District Hospital		
Kajiado District Hospital	}	Kajiado Hospital
Kitengela District Hospital		
Loitoktok District Hospital		

**Source: Health Information System- Strategic Plan (2012-2017)**

## Appendix vi: Structure of the County Governments

### BASIC ORGANISATIONAL STRUCTURE OF A COUNTY GOVERNMENT



**Appendix vi: Factor analysis and Reliability Tests of the factors**

<b>Factors</b>	<b>Item</b>	<b>Factor Loadings</b>	<b>Reliability Cronbach's Alpha</b>
<b>Strategic Recruitment and Selection</b>			0.953
Transparency and fairness is following when recruiting and selecting hiring employees	1.000	.970	
Valid and standardized tests are used when required in the selection process	1.000	.978	
Promotions are frequently done in a transparent manner	1.000	.938	
The County Hospital recruitment process ensures that very qualified candidates are attracted	1.000	.954	
Internal promotion is considered for those with experience and qualifications	1.000	.866	
Attitude towards work is used as a criteria in employee selection	1.000	.698	
New employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection	1.000	.578	
<b>Strategic Training</b>			0.897
The county hospital has a staff development programmes in place	1.000	.562	
Staff at the hospital have been trained on use of technology for efficiency	1.000	.642	
The county hospital organizes seminars, workshops for its employees	1.000	.717	
The county hospital has a training budget every financial year	1.000	.690	
Training employees improves their work performance	1.000	.845	
<b>Strategic Employee Voice</b>			0.882

Employees usually voice their issues in a conducive environment	1.000	.767	
Employees sit on several committees participate in key decision making	1.000	.930	
Suggestion boxes(schemes) are placed in central places for use by employees to contribute ideas for improvement	1.000	.683	
Hospital employees are members of medical trade union (KMDPU)	1.000	.804	
The county management holds regular meeting with its employees	1.000	.710	
<b>Strategic Employee Welfare Services</b>			0.746
The county hospital provides health services to staff	1.000	.667	
The county hospital has partnered with health insurance organizations and hospitals for staff healthcare	1.000	.718	
The County Hospital has an all round Work-Life-Balance System in place	1.000	.756	
The hospital has a pension scheme facility for its staff	1.000	.842	
The hospital gives family and maternity leave to its staff	1.000	.951	
<b>Strategic Reward and Compensation System</b>			0.789
Incentives given to the employees motivates employees and enhances performance	1.000	.875	
The county hospital has a competitive reward and compensation system	1.000	.911	
In the hospital, compensation for employees is directly linked to his/her performance	1.000	.834	
Rewards offered by the hospital have an effect on employee performance	1.000	.883	
Good rewards have a positive effect on the employee performance of the hospital	1.000	.799	

<b>Human Resource Management Professional Act</b>			0.909
Are you aware that there exists a HRMP Act in Kenya	1.000	.767	
I have subscribed to the HRMP 2012 Act	1.000	.926	
Are you a member the Institute of human resource management	1.000	.907	
The implementation of the act has improved employee performance in the county hospital	1.000	.904	
<b>Employee Performance</b>			0.923
Staff turnover has decreased in this hospital due to efficient use of human resource practices that motivate, attract and retain us in this hospital.	1.000	.604	
The customer feedback reports indicates positive results about the employee's services	1.000	.956	
The employees in this hospital are satisfied with their day to day responsibilities and activities	1.000	.967	
The employees attitude towards work has improved	1.000	.919	
The quality of work provided by the employees in this hospital is exceptional	1.000	.957	
Employees in this hospital provide efficient services to their customers and the customers are very happy about exemplary service	1.000	.946	
I am satisfied with my job position and the responsibilities that I perform in this hospital	1.000	.956	

## Appendix vii: Statistical Model

The study adopted multiple linear regression model as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_1 X_1 Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \beta_4 X_4 Z + \beta_5 X_5 Z + e$$

$\beta_i X_i Z$  = Product less interaction term of the moderating variable with each of the independent variable ( $X_1 X_2 X_3 X_4 X_5$ ).

Where;

Y = Employee Performance in devolved health sector in Kenya

$\beta_0$  = Constant

Z = HRMP Act (Moderator)

$\beta_i$  = is the coefficient for  $X_i$  Which is ( $i = 1, 2, 3, 4, 5$ )

$X_1$  = strategic recruitment and selection

$X_2$  = Strategic training

$X_3$  = Strategic welfare services

$X_4$  = Strategic employee voice

$X_5$  = Strategic reward system and compensation

Z = Human Resource Management Professional's Act

e = Error term

$\beta_1$  = regression coefficient of variable  $X_1$

$\beta_2$  = regression coefficient of variable  $X_2$

$\beta_3$  = regression coefficient of variable  $X_3$

$\beta_4$  = regression coefficient of variable  $X_4$   $i=1, 2, 3, 4, 5$ .