

**INFLUENCE OF STRATEGIC HUMAN RESOURCE INNOVATION
PRACTICES ON EMPLOYEE PERFORMANCE AT NATIONAL HOSPITAL
INSURANCE FUND, NAKURU BRANCH, KENYA**

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LIST OF ABBREVIATION AND ACRONYMS

AMO	Ability Mobility Opportunity
CIPD	Chartered Institute of Personnel Development
FP	Family Planning
HIV	Human Immunodeficiency Virus
HR	Human Resource
NGOs	Non-Governmental Organizations
NHIF	National Hospital Insurance Fund
PRP	Performance Related pay
RVB	Resource Based View
SACCOs	Savings and Credit Cooperative Organizations
SPSS	Statistical Package for Social Sciences
UHC	Universal Health Coverage

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DEFINITION OF TERMS

Strategy- A plan, pattern, perspective and play meaning a specific and careful move intended to outsmart a competitor (Mintzberg, (1987).

Strategic human resource practices-Development and implementation of employee related programs that solve business problems and directly contribute to major long-term business objectives (Chen, 2009)

Innovative practices-Actual application or process of introducing new ideas, devices, or methods(Agarwal, 2002).

Telecommuting Practices-Work arrangements in which employees work outside the office, often working from home or a location close to home (Clark, 2008).

Online recruitment practices-Application of technology and in particular web- based resources for tasks involved with finding, attracting, assessing, interviewing and hiring new personnel(Searle, 2006).

Work life balance practices-Exercises that bring about absence of conflict between productive and family sphere (Carlson, 2007).

Performance related pay practices-Financial reward systems for employees where some or all of their monetary compensation is related to how their performance is assessed relative to stated criteria (Armstrong, 2002).

Employee performance-Rating system used in most corporations to determine the abilities and output of an employee. (Deadrick, 1997)

ABSTRACT

Health systems mostly in the developing countries are faced with the challenge of dissatisfaction by patients in terms of their health care experience in that they want more information and a higher degree of quality services. This creates the need to improve the 'system' through which health services are delivered. One way to improve this is by recognizing the role played by employees which calls for new approaches while recruiting, training and retaining the labor force. Management have to come up with a number of innovation practices in order to have a relevant system of employee performance. Such practices include telecommuting, work life balances, online recruitment and performance related pay. In order to enhance the understanding of the mentioned variables, the study made use of two theories namely Resource- based view theory and Ability, mobility opportunity theory. In addition, the study adopted a descriptive research design. Census sampling technique was employed in the study to gather information from the 60 employees of National Hospital Insurance Fund, Nakuru branch. Structured questionnaires were pilot-tested and further administered. Likert scale in closed ended questions was applied in the questionnaires. Data obtained from the questionnaires was first cleaned and edited before being coded and subjected to further analysis. The Likert scales in closed ended questions in the questionnaires were converted to numerical codes and scored on 1-5 point scale in order of magnitude of the construct being measured. Out of 60 questionnaires issued, 46 were duly returned correctly filled. Data collected was analyzed using descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences version 22. A Pearson correlation and multiple regression analyses were done. The correlation analysis done indicated positive correlations between all the independent variables. Based on the results of the regression analysis, all the null hypothesis were rejected since they were found to be having significant relationship on employee performance at National Hospital Insurance Fund, Nakuru branch. It was concluded that telecommuting practices, online recruitment practices, work life balance practices and performance related pay practices had influence on employee performance at National Hospital Insurance Fund, Nakuru branch. The findings of this study aimed at establishing how strategic human resource innovation practices are important and indispensable tools to the management of National hospital Insurance fund, Nakuru branch and how they enhance employee performance. The research work will also be useful for any organization that wants to gain competitive advantage over others.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The modern firms cannot effectively operate in the business world if the human force is not well equipped with the latest technology and techniques. This is because, human resource is the key ingredient to any organizational success and failure. Therefore, this calls for the management of any firm to properly train and evaluate the basic need for the human force to improve on their performance. Additionally, firms also need to implement strategies that call for innovation so as to be more successful in responding to the changing environment and in developing new capabilities that allow them to achieve better performance (Montes 2004).

According to Tan & Nasurdin (2010), it is widely acknowledged that strategic human resource innovation practices are effectively significant in extracting positive work behaviors among employees through motivation, job satisfaction, employee commitment and productivity. However much it is critical, it is difficult to adopt and sustain strategic human resource innovation practices (Agarwal, 2002) in that, there is still much to be understood about when innovation practices successfully take hold and when they do not.

Despite the fact that human resource innovation practices are typically introduced to achieve outcomes such as favorable employee productivity and behavior, they generally fall short of management expectations (Agarwal, 2002). Therefore, strategic human resource innovation practices should be adopted and implemented in such a way that they promote a functional purpose whereby employees can judge in terms satisfaction as well as meeting standards of fairness. It is crucial to evaluate all the determinants for successful environmental change.

Strategic human resource innovation practices may have been very well designed, but the question of its effectiveness cannot be answered as it might take days, months and years to find it. Therefore, it is vital to study on strategic human resource innovation practices so as to gain deeper knowledge helpful in sustenance of businesses in this competitive world. The aim of this proposal is to advance the understanding of strategic human resource innovation practices on employee performance at National

Hospital Insurance Fund, Nakuru branch, with the intention of aiding researchers and managers in recognizing its benefits and challenges.

1.1.1 Strategic Human Resource Innovation Practices

To gain deeper understanding of the concept of strategic human resource innovation practices, it is necessary to get a clear picture of strategy upon which it is based. According to Johnson & Scholes (1999), strategy is the direction of an organization over the long term which achieves advantage through configuration of resources within a changing environment to meet the market needs and fulfill shareholders expectations. According to Mintzberg (1987), strategy means a plan, pattern, perspective and finally a play meaning a specific and careful move intended to outsmart a competitor.

According to Pearce & Robinson (2000), there are three critical ingredients recommended for the success of a strategy. First, the strategy must be consistent with conditions in the competitive environment by taking advantage of projected opportunities and minimize the impact of major threats. Second, the strategy must place realistic requirements on the firm's resources by understanding that the firm's pursuit of market opportunities must be based not only on the existence of external opportunities but also on competitive advantages that arise from the firm's key resources. Lastly, the strategy must be carefully executed.

Human capital is one of the most critical components of strategic success for many organizations as it deals with employees. Human resource practices are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work thus achieve organizational goals (Collins & Clark, 2003). Researchers have pointed out that by matching human resource innovation practices with strategy, the critical human resources skills, attitudes, behaviors and performances that are needed to successfully implement strategies can be acquired, developed, motivated and maintained.

Strategic human resource literature recognizes innovation as a critical enabler for firms to create value and sustain competitive advantage in the increasingly complex and rapidly changing environment (Subramanian & Youndt, 2005). Companies together with human resource teams are required to come up with innovative

approaches to survive the downturn and hold employees together. Innovative approaches would motivate the employees in any organization to utilize their set of skills, expertise and knowledge which is likely to contribute to improvement on the economic performance of the firm. Innovative arrangements also have the potential to increase employee morale, thereby improving employee performance through reduction in grievances.

Typically, strategic human resource innovation practices bridges business strategy, human resource practices and innovation. It provides a clear focus on implementing strategic change and growing the skill base of the organization to ensure that the organization can compete effectively in the future (Holbeche, 2004). Concept of strategic human resource innovation practices is crucial in today's business world in that it has to do with the benefits it generate for both a company's workforce and its human resource team.

In summary, strategic human resource innovation practices create conducive environment for innovative activities. This is because they allow firms to discover and utilize knowledge, skills and expertise in the organization (Scarborough, 2003). Considering the above argument, strategic human resource innovation practices have to be applied in such a way that promote a functional purpose whereby employees can judge in terms of satisfaction as well as meeting standards of fairness.

As written in Harvard Business review, 2006, when people understand what their company is trying to do and how their work contributes to those efforts, their focus and job satisfaction increase. Companies that adopt and employ strategic human resource innovation practices such as telecommuting, online recruitment and work-life balance, easily influence employees to perform better in the work place. Telecommuting practice is an established practice in the developed world but has not been well adopted in Africa (Chepken 2012). Hence the need to create awareness of introducing telecommuting practice at National Hospital Insurance Fund, Nakuru branch. The other three innovation practices under study already exist and hence the need for improvement for effective purposes.

1.1.2 Employee Performance

Human resources are vital for organizational excellence and they act as the main factor for achieving anticipated organizational objectives (Haghighi, 2005). It is true to say that the level of the enterprises' success depends on the performance of the human resource. Within the framework of the professionals, good employee performance mirrors the ability to contribute through their works leading to the behavioral achievement that is in accordance with the goals of the company.

The main objective of strategic human resource is to recruit employees, which is essentially done through interviewing, screening and selecting the most qualified candidates for the organization. This is a far more complex activity than in previous times when human resource team could rely on recommendations from current employees (Sims, 2007). Therefore, organizations use their human resource departments to select and recruit individuals who are likely to succeed on the job and this should be non-discriminatory.

An organization will invest in specific human resources in order to meet its objectives. This is essential to note considering that a human resource is not an inanimate object but a human being characterized by feelings, emotions, opinions and frames of reference that are unique to each and every individual (Festing & Engle, 2008). An employee requires continual reassessment, evaluation and capacity building for sustaining performance at the expected level or surpass organizational expectations. This therefore, should be interactive and participatory, striving to give information as well as elicit feedback between the employer and the employee (Becker, 2011).

Giving an employee a new and higher level of responsibility is a major obligation for both the company and other personnel who will be under his or her supervision. Similarly, promoting as well as layoff is not all that easy within an organizational setting. When a company wants to reduce its workforce for economic reasons or because of changes in its structure, it is faced with the difficulties to decide who to retain and who to relieve from the company. For such strategic reasons, most companies use the human resource management department to simulate their job requirements. (Thornton & Rupp, 2006).

Several researches have been introducing various methods to evaluate organizational performance (Wong & Wong, 2007). This includes the quality, quantity, knowledge or creativity of individual towards the accomplished works that are in accordance with the responsibility during a specified period. One of the elements that is assessable is the employees' performance through the level of their productivity which can be increased through innovative techniques.

The management of employees on matters in relation to performance can result in highly complex and emotion-filled decisions. Motivation of the employee is an essential factor that may ensure that employees stay focused on the organization's goals. This includes work-based and external training, employee participation in the organization's decision-making, remuneration, benefits, the physical environment, challenging work, individual growth and personal development among other creative employee performance enhancing approaches (Armstrong & Murlis 2004).

1.1.3 National Hospital Insurance Fund

National Hospital Insurance Fund is a State Parastatal that was established in 1966 as a department under the Ministry of Health. The original Act of Parliament that set up this Fund which falls under insurance industry, has over the years been reviewed to accommodate the changing healthcare needs of the Kenyan population, employment and restructuring in the health sector. The transformation of National Hospital Insurance Fund from a department of the Ministry of Health to a state of corporation was aimed at improving effectiveness and efficiency. The fund has a functional human resource department consisting of human resource managers and assistants. This will facilitate effective collection of data while conducting the study.

The mission of National Hospital Insurance Fund is to provide accessible, affordable, sustainable and quality social health insurance through effective and efficient utilization of resources to the satisfaction of stakeholders. The Board of Management is representative of all key stakeholders and is charged with the running of the Fund through policy formulation and decision making on all policy matters. The Chief Executive serves as the secretary to the Board of Management. The Fund's core mandate is to provide medical insurance cover to all its members.

National Hospital Insurance Fund has 61 fully autonomous branches across the country, Nakuru being one of them. Each of these branches have decentralized functions, offering all National Hospital Insurance Fund services with the headquarters being in Nairobi, Kenya. NHIF registers all eligible members from both the formal and informal sector. For those in the formal sector, it is compulsory to be a member. For those in the informal sector and retirees, membership is open and voluntary. Some of the activities related to human resources planning include; exercise of employment rights and housing issues of employees, regulating the legal employment status of persons engaged under non-employment schemes and issuance of the deed of job classification. Practices adopted at National Hospital Insurance Fund include work-life balance, performance related pay and online recruitment through support of a functional website.

1.1.4 The County Government of Nakuru

Nakuru is the fourth largest city, the capital of Nakuru County in Kenya and former capital of the Rift Valley Province making it the largest urban center in the Kenyan mid-west with Eldoret in Uasin Gishu following closely behind. The national government is the main employer of the county government. According to 2009 Census, Nakuru is a home to 1,603,325, people (male – 50.2% and female – 49.8%) making it a cosmopolitan county, with its population originating from all the major tribes of Kenya.

According to National Hospital Insurance Fund report (2014), overall coverage levels for formal and informal sector populations have reached 4.5 million people (11% of the Kenyan population). While coverage is high for the formal sector (98%), coverage of the informal sector which accounts for over 80% of Kenya's workforce has proven to be more challenging, and remains low at 16% of the informal sector population. The Fund has a wide range category of membership and invites other members of the society to join. This is in the efforts to ensure that no one is left out of scope of protection. These categories include:- County Government employees (ministries and independent departments), regional administration and Local Government Authority employees, public institutions, police, prisons, fire brigade and immigration, students of higher learning institutions, retirees who were previously NHIF contributing members, private Individuals (with no employers/self-employed), private companies,

associations and NGOs, spiritual leaders such as clergy and lastly members of registered economical groups (SACCOs).

The main economic activity is agriculture in that the weather is conducive for large-scale farming, horticulture and dairy farming. Food crops grown in Nakuru include maize, wheat, beans, peas, cabbages, tomatoes, kales and carrots and the produce is consumed locally and sold to consumers in neighboring towns and cities. There are numerous manufacturing industries in Nakuru town, including wheat and maize flour processing plants. Another major activity is tourism thanks to the county's numerous tourist attractions such as craters, lakes, wildlife and birds.

1.2 Statement of the problem

Following the government's directive (2015) on free maternity healthcare to citizens, and the subsequent passage of NHIF Act (2016), there has been an increase in the number of patients to public hospitals. This has led to a higher number of patient registration in hospitals. With the aim of improving remuneration packages for health workers, a number of strategic human resource innovation practices have to be put in place to ensure an efficient employee performance in terms of service delivery. The recent transformation comes from the innovative strategies contained in the NHIF Act, 2016 which also outlines various services the organization makes in order improve the employee performance. The researcher identified some of the practices and they include: telecommuting, online recruitment, work life balance and performance related pay. The fund has also been able to increase the number of hospitals within the county which are accredited for outpatient services. Telecommuting practice was identified majorly because of technological shift in that most organizations are able to be located away from cities to even rural areas where costs of doing business is lower. This will make it easier for patients to locate National Hospital Insurance Fund satellite offices that are not within Nakuru town, (Olunguruone and Molo).

This can only be achieved through having trained employees in Internet Technology. Performance related pay practice which is strategic is put in place so as to address the problem associated with delayed and inadequate remuneration among employees working with health facilities in Kenya. Online recruitment practice is also a strategic

human resource move which will help the Fund to recruit as many candidates as possible thereby increasing the chances of getting qualified candidates. It is also innovative since it involves the internet which is advantageous in terms of attracting larger audience of candidates than when recruitment is done manually. Work life balance is more of a strategic move and is about creating and maintaining supportive and healthy work environments, which will enable to have balance between work and personal responsibilities and thus strengthen employee productivity and loyalty. In terms of technology, a key benefit that emerges consistently on work life balance is the flexibility mobile technology can offer allowing workers to regulate the location and time of the day in which they conduct their work (Hill, 2001). All the strategies offer countless benefits to the organization in terms of increased membership and gaining competitive advantage. It is argued that there exists limited number of empirical studies on the influence of strategic human resource innovative practices on employee performance at National Hospital Insurance Fund. This study thus sought to assess the influence of the mentioned strategic human resource innovation practices at National Hospital Insurance Fund in Nakuru.

1.3 Research Objectives

The study had both the general and specific objectives.

1.3.1 General objective

To determine the influence of strategic human resource innovation practices on employee performance at National Hospital Insurance Fund, Nakuru branch, Kenya.

1.3.2 Specific Objectives

- i. To examine the influence of telecommuting practices on employee performance at National Hospital Insurance Fund, Nakuru branch.
- ii. To evaluate the influence of online recruitment practices of employee performance at National Hospital Insurance Fund, Nakuru branch.
- iii. To analyze the influence of work- life balance practices on employee performance at National Hospital Insurance Fund, Nakuru branch.
- iv. To establish the relationship between Performance Related Pay (PRP) practices and employee performance at National Hospital Insurance Fund, Nakuru branch.

1.4 Research Hypotheses

- i. **H₀₁**: Telecommuting practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.
- ii. **H₀₂**: Online recruitment practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.
- iii. **H₀₃**: Work –life balance practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.
- iv. **H₀₄**: There is no significant influence in the relationship between Performance related pay practices and employee performance at National Hospital Insurance Fund, Nakuru branch.

1.5 Significance of the study

The current study seeks to raise ideas and issues in the hope that the various stakeholders and persons directly addressing issues related to strategic human resource innovation practices on employee performance at National Hospital Insurance Fund, Nakuru branch, will continue the discussion. It does not presume to offer a prescription for the ideal measures to be employed by the stakeholders so as to reverse the trends.

The management will gain a better understanding on the influence strategic human resource innovation practices on employee performance. They will have insights on various strategic human resource practices such as telecommuting, online recruitment, work –life balance and performance related pay (PRP) practices and how they influence employee performance in terms of productivity and work behaviors. To be successful, they have to provide support, direction and tools to employees.

Manpower is a necessity in every organization and so understanding what is required to increase their productivity in the workplace. Employees need to gain more knowledge regarding the strategic human resource innovation practices. This can be through introduction of on job training, flexible learning options and outsourcing training on innovation practices.

The symbiotic relationship between strategic human resource innovation practices and employee performance is a relatively new and unexplored concept. The study will make a significant contribution to the growing body of research on competitive

strategies. The findings may also be used as a source of reference for other researchers.

1.6 Scope of the Study

The scope of the study refers to an entire group of individuals, events or objects having a common observable characteristic (Mugenda&Mugenda, 2003). The study was conducted at National Hospital Insurance Fund (NHIF), Nakuru branch, Kenya for a period of 4 months from November 2016 to October 2017.

1.7 Limitations of the Study

The study faced several limitations particularly during data collection. The research instrument contained close-ended questions which limited how the respondents were required to respond. In the view of the foregoing, it was ensured that the questionnaire was structured in a way that ensured all study objectives were adequately addressed. Some of the respondents were reluctant to participate in the study for fear of being reprimanded by their seniors in the event they divulged information relative to the NHIF. To this effect, the researcher assured the respondents that the data collected from them were to be treated with utmost confidentiality. The respondents were also cautioned against indicating their identity on the research questionnaire.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews the literature relevant to the current study with a critical focus on influence of strategic human resource innovation practices on employee performance at National Hospital Insurance Fund, Nakuru branch. By critically evaluating gaps in the previous research studies, this chapter will provide information to support this study.

2.2 Theoretical Review

A theory is a set of interrelated principles and definitions that present a systematic view of the phenomena by specifying relationships among variables with the purpose of explaining natural phenomena. Theoretical frameworks are explanations about the phenomena (Camp, 2001) and they provide the research with lens to view the world clearly (Merriam, 2001). The study will be guided by both the Resource Based View and Ability, Mobility and Opportunity theories.

2.2.1 Resource- Based View theory

Based on the work of Penrose (1959) and others, Wernerfelt's (1984) articulation of the resource based view of the firm certainly signified the first coherent statement of the theory which served as the foundation that was extended by others such as Barney (1991). The resource based view refers to the concept that each organization is a collection of unique resources and capabilities which is the basis of a firm's strategy and its ability to earn above average returns. Resources are inputs into a firm's production process while capability is the capacity for a set of resources to perform a task or an activity in an integrative manner (Hitt, 2013).

The resource based view (RBV) as a basis for the competitive advantage and performance lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. Empirical evidences also show that firms within the same industry and probably with same position differ in performance (Rumelt, 1991). In order to transform a short-run competitive advantage into a sustained competitive advantage, it requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources

that are neither perfectly imitable nor substitutable without great effort (Barney, 2001).

In addition, resource must enable a firm to employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses. If a valuable resource is controlled by only one firm, it could be a source of a competitive advantage simply because competitors are not able to perfectly duplicate this strategic asset. According to Hitt (2001), a firm should select strategies that best allows it to utilize its resources and capabilities relative to opportunities in the external environment. According to Wright & McMahan (1992), Resource Based View is presented as one perspective that provides a rationale for how a firm's human resources could provide a potential source of sustainable competitive advantage through innovation.

Based on the theory, one can argue that organizations that have the employees' cognitive knowledge gathered through academics act as a drive for innovation (Som, 2007). Innovation permits the development of valuable and scarce resources in the organization and strategic human resource innovation practices of an organization have power to determine the inputs, occurrence and sustainable performance of the organization. The reason behind this phenomenon is that the innovative capacity of an organization resides in the intelligence, imagination and creativity of its human resource (Mumford, 2000) in terms of innovation inputs.

The relevance of Resource base view theory in this study is to expound on developmental strategies that are acquires through unique resources such as human resource and capabilities such as innovation practices which influence employee performance by reducing its own weaknesses. It will also be helpful in gaining deeper understanding in coming up with approaches to be followed by management at National Hospital Insurance Fund in order to transform a short-run competitive advantage into a sustained competitive advantage.

2.2.2 Ability, Motivation and Opportunity theory

Ability Motivation Opportunity theory suggests that strategic human resource practices that enhance the firm's human capital through increased human capabilities translate into performance outcomes, such as higher productivity, reduced waste and higher quality. According to Appelbaum (2000) in Ability, Motivation and Opportunity theory, performance is a function of the three elements named ability,

motivation and opportunity thus, for an employee to perform optimally he or she must have the ability, coupled with the motivation and given opportunities. From this perspective, one can argue that innovation performance (individual or organizational level) is also a function of innovation related ability, motivation for innovation and opportunity for innovation.

According to other Ability, motivation and Opportunity theory (AMO) proponents, performance at individual level has for long been viewed as a function of individual motivation and ability (Vroom, 1964) but, scholars like Blumberg & Pringle (1982) contended that an often overlooked but yet important additional function of performance is opportunity to perform. According to Parker & Turner (2002), they supported the arguments indicating that motivation influence most strongly to contextual performance whereas ability applies most strongly to task performance.

Besides the theoretical assumptions, previous studies on employee performance had also empirically revealed that employees' ability, motivation and opportunity provided necessary requirement to perform optimally in an organization (Knies & Leisink, 2014). According to Tuuli & Rowlinson (2009), when employee(s) feel that they possess the required work-related competence and abilities, they tend to exhibit both task and contextual performance. Task performance relates to transforming raw materials into goods and services while contextual performance concern aspects of an individual's performance such as attitudes portrayed in the work behaviors.

Moreover, both intrinsically and extrinsically motivated employees usually have greater opportunity to perform jobs in ways that contribute towards the achievement of organizational goals (Tuuli & Rowlinson, 2009). It is therefore true to say that innovation-focused staffing and training practices can ensure the required ability and capability for organizational innovation. By enhancing motivation and commitment through the strategic human resource innovation practices on employee performance, the organizations can ensure real innovation occurrence in the workplace.

At the same time, William (1990), stated that innovation does not occur by itself, organizations must provide their employees with the opportunities to innovate or must make demand for innovation from their employees. In general, for an organization to be innovative, it has to request for innovation through provision of work groups opportunities and resources. In addition to these practices, organizations must ensure

the sustainability of innovation performance through strategic human resource practices. Recent research findings highlight complementary role of organizations in enabling firms to translate innovative activity into tangible performance improvements.

Based on Ability, Motivation, Opportunity (AMO) theory, the management at National Hospital Insurance Fund, should therefore use three factors as a structure of appraisal interviews by comparing employee responses to their own perception of what they can, desire and have the opportunity for in order to gain a mutual understanding. The management can choose whether or not to develop ability, motivation and opportunity as determinants of improvement in performance- This is whereby the organization is looked at as an organism, all bodies must play together cross functionally. It is not enough that the lungs utilize their vitality to the fullest, if capacity is weaker in other parts of the body.

In order to create well-functioning teams, it is crucial that managers look inwards and assess the composition of their employee profiles. With well-being of the equation, one can hire the most executing, analytical human resource managers and specialists (Ability), develop and involve them (Motivation) and finally offer opportunities (Opportunity). But if these people cannot cooperate, take responsibility towards a common goal and show a proper attitude in their daily work their satisfaction rate and well-being will be weakened.

Long-term ideology explains that over time, the organization can fall into a ditch of several sub-optimizing cultures where common values are missing in daily practice. If, for example, many of the employees who execute for their own benefit are being promoted as high performers, there is a risk that the spot light comes on stars, looking at short-term results with a short-term behavior and a stagnant bottom up as a critical impact for the business and organizational flow. It can implore a lack of feedback, envisaged silo tactical in communication and relevant knowledge is not shared if it does not benefit their own perspective to share it.

To create a culture where work performance is high, management must invest a conscious effort in ensuring a proper allocation of both management and employee profiles and put this work on their strategic agenda. If companies are successful at this very point, a culture of trust will have its best conditions. And in return it will

heighten job satisfaction and the everyday desire to go an extra mile and the individual courage to share knowledge that management relies on in order to navigate their business proactively.

The theory is important to this study as it provide insights and deeper understanding on employee performance while relating to the three functions namely ability, mobility and opportunity. The management of National Hospital Insurance Fund will understand the techniques to adopt while dealing with their employees not only to provide them with necessary requirement to perform optimally but also to improve on their skills, expertise and knowledge.

2.3 Empirical Review

This section reviews the relevant literature on the variables under study and therefore provide a guideline along which this study will be conducted.

2.3.1 Telecommuting practices

Telecommuting practice, also known as telework, is the use of telecommunication technologies to allow employees to perform their job duties remotely away from their central workplace in accordance with work agreements. The remote work locations may range from a coffee shop, a park, although it is typically conducted from an employee's home (Clark, 2008). Since the 1990s, telecommuting practice as a strategic business practice has grown significantly due to the increasing pressure on companies to cut costs and to increase employee productivity.

Companies are now challenged to initiate more flexible thinking for the new 'corporate office.' In addition, the expansion of broadband internet services to employee's homes and the convergence of voice, data and video have made telecommuting a viable option and sometimes a requirement for medium to large-sized businesses in today's marketplace (Clark, 2008). The benefits of telecommuting, both actual and perceived, are well-documented as they include increased employee productivity, increased quality contact with customers, reductions in traffic congestion and air pollution.

In addition, the ability to telecommute is also considered an attraction to job candidates. In the meantime, companies implementing telecommuting practices may also face significant challenges. Most frequently cited problems include difficulties in

supervising and managing remote workers, feelings of isolation on the part of the employees, collaboration inefficiencies due to a lack of proximity among workers, and increased security risks (Mahler, 2012). Deploying a successful telecommuting program requires much more than simply providing a high-speed Internet connection and a computer.

A substantial amount of planning must take place to accommodate specific policies and procedures, technology selection, training, technical support, cost and budget management, and user satisfaction. According to Hansen (2004), companies must begin by carefully planning and documenting the key phases of the implementation by considering factors such as eligibility in terms of professionalism, resourcefulness and communication; training, technological infrastructure support (hardware management, network infrastructure and value added applications) telecommuter management, performance evaluation and lastly rules and policies. In a nutshell, companies should assess their existing management policy so that any weaknesses can be addressed before telecommuting is implemented.

According to Mahler (2012), teleworking may appear to be an ideal way to address issues such as traffic congestion, tardiness and pollution but it is not without potential issues. For supervisors, it may be difficult to manage employees who are not present in the office and to track productivity. For employees, it may be difficult to stay on task and remain productive without supervisors and coworkers to hold them accountable. Employees who telework and provide care to dependents at home may not be able to perform both roles successfully. Another issue that may arise is that of security and confidentiality for teleworking employees who are dealing with confidential material (Scarfone & Hoffman, 2009).

Research has shown that teleworkers may be less likely to be promoted and grow within the workforce (Kreitner, 2007). Thus, due to these potential drawbacks, it is important for institutions such as National Hospital Insurance Fund to develop strong policies and procedures surrounding telework practice. This will help to keep track of employees who choose to work remotely making sure everybody is performing at their best, regardless of location. Managers should therefore keep in mind factors such as employee eligibility (attitude, work ethics and personalities), expectations for work hours, equipment and cyber security and lastly communication methods.

2.3.2 Online Recruitment practices

The effective recruitment and selection of employees are fundamental strategic human resource practices. If well managed can have a significant impact on employee performance (Pilbeam & Corbridge, 2006). Given the relationship between effective recruitment and employee performance, organizations need to adopt a more strategic approach to human resource innovation practices before moving on to the actual recruitment and selection process, (Bratton & Gold, 2007).

The general theories of recruitment as highlighted by Armstrong (2008) pinpoint the fact that employees need to have a fit-in culture in order to survive in a new job environment. In line with the above statement, the management should put more pressure on the recruitment team to cultivate the organization culture that enhances good performance. Recruitment strategies by organizations should be tailored towards specific positions to be filled and in the modern global environment, they include advertisements in electronic and print media, agencies and services, schools and college forum, professional associations and internal resources.

With advances in technology, Internet recruitment has become a key medium for recruitment by employers and recruitment agencies. Since 1998 there has been a significant increase in the number of organizations using their corporate website as a recruitment channel (Searle, 2006). It is estimated that the online recruitment business has tremendously grown over years (Pilbeam & Corbridge, 2006). Internet recruitment is seen as an effective recruitment medium especially when recruiting graduates, IT and technical professionals and middle managers. The ease of applying for a job online can generate a great number of applications.

With Internet recruitment, organizations have a number of choices such as encouraging direct applicants through their own website, setting up their own recruitment website, or advertising vacancies on specialist internet recruitment sites. Many organizations post job openings on their web sites and some accept only online applications, completely eliminating the hard-copy application. In addition, companies have more information than ever on the job seekers. While earlier recruiters were dependent solely on the candidate's resume, today they can easily perform a web search and find more information about them by scouting their social media profiles, and also examine their work samples, all through the use of web.

The benefits of Internet recruitment for organizations include reduction in recruitment costs, reaching a wider pool of applicants, technology can be used to scan resume and match against key selection criteria, a reduction in the amount of paperwork associated with the recruitment process, as well as providing a positive corporate brand image (Searle, 2006). Organizations recruiting internationally can combine Internet technologies with other technologies, such as video technology, to make it easier and more cost-effective when recruiting in different countries.

In addition Internet recruitment can create opportunities for organizations to use a number of pre-selection tools and tests, thus helping to improve the likelihood of a match between applicants and job vacancies (Redman & Wilkinson, 2006). Therefore, a thorough planning is needed so as to effectively manage risks and uncertainties associated with online recruitment, efficient use of resources such as the internet which will result in the realization of the set goals. National Hospital Insurance Fund have corporate website as a recruitment channel which is functional.

2.3.3 Work- life Balance practices

Work-life Balance is a broad concept including proper prioritizing between "work" (career and ambition) on one hand and "life"(Health, pleasure, leisure, family and spiritual development) on the other. Organizations and companies have already begun to realize the importance of this attribute to the productivity and creativity of its employees. The origin of work-life balance practices spans from work-life conflict experienced by employees. Work- life conflict is the interrole conflict that results when one's roles as an employee is incompatible with one other area such as being a spouse, parent or with other religious and leisure activities (Redmond & Drew, 2006).

Work-life Balance practices help to minimize the amount of Work- life conflict and also targeting the antecedents such as job demands (Lero & Bardoel, 2007). Practices that are meant to help employees better manage their work and non-work times are called in the literature as work-family policies, family-friendly or family-responsive policies. Work-life Balance Practices proposed by Barrera (2007) would be adopted because it is broad, cutting across employers working constructively with their employees to put in place arrangements, which take into account the needs of the business as well as the non-work aspects of employees' lives.

There are some motives for applying work-life practices by organizations: to keep employee motivated and well performing and to make the organization more attractive to employee. During the last decades there have been dramatic changes in the field of Human Resource Management in that the focus has been broadened the strategic perspective, known as strategic human resource management. The basic promise of this perspective is that organizations that achieve congruence between their human resource practices and their strategies should enjoy superior performance (Delery and Doty, 1996). The strategic human perspective of human resource emphasizes that a workforce strategy should fit an organization's business goals, culture and environmental circumstances and that human resource management practices should be interrelated and internally consistent.

According to Clarke&Hill (2004), work-life Balance is generally associated with equilibrium between the amount of time and effort somebody devotes to work and personal activities, in order to maintain an overall sense of harmony in life. To understand work-life balance practice, it is important to be aware of the different demands upon us including our personal resources, time and energy that we can deploy to address them. Research has indicated that those workers who have some form of control over their working environment tend to suffer less stress-related ill-health, with clear implications for the concept of work-life balance.

Organizations can implement various work-life Balance initiatives that may assist employees to better balance their work and family responsibilities, gain improvements in well-being and provide organizational benefits. There are a large variety of family friendly policies which include, but are not limited to the following; flexible working hours, job sharing, part-time work, compressed work weeks, parental leave and on-site child care facility (Hartel, 2007). These policies are so essential to everyone working in organizations regardless of age.

The effects of introducing work-life Balance practices on employee attitudes and perceptions include job satisfaction, organizational commitment, and job stress and turnover intention. All of these factors, in turn, affect job performance, direct and indirect absenteeism costs, costs associated with the loss and replacement of valued employees, customer satisfaction, and organizational productivity. Although the formal evaluation of work-life practices is often difficult because of the problem of

calculating the costs and benefits of different strategies, some companies have attempted to quantify the outcomes of specific policies.

Implementing of work-life practices for organizational effectiveness may be compromised by lack of use these practices. Research conducted amongst organizations in the UK suggests that employees often remain unaware of their work-life entitlements following the implementation of work-life balance practices (Kodz et al, 1998). For example, in a survey of 945 employees in six different organizations across three sectors of employment (local government, supermarkets, and retail banking), it was found that 50% of employees were unaware of the family-friendly practices offered by their organizations (Yeandle et al 2002).

2.3.4 Performance Related Pay (PRP) practices

In recent years, many organizations have moved towards rewarding employees for performance as a means to achieve strategic organizational goals (Mullins, 2005). Performance related pay practice is a fundamental way of encouraging and discouraging certain characteristics of the employees as it is associated with most important machinery of performance such as salaries, bonuses and privileges (Pulakos, 2009). The debate on the effectiveness of financial remuneration on performance goes on as researchers try to establish the organizational and cultural fit for such a practice.

The performance relates pay as a means to support innovation by employees is a fairly mechanical but nevertheless effective management technique. Once the members of an organization understand that they will be rewarded for such activities, they are more likely to work creatively. The initiative to provide financial and non-financial rewards to people and groups who develop innovative ideas is important for organizations. But it is equally vital to avoid punishing creativity when it does not result in highly successful innovation (Griffin, 2006).

Performance related pay practice is very important in any organization as the basis of command of human behavior within an organization. It helps to verify not only performance in relation to current goals but also influences the possibility of people joining and remaining in an organization. It also shapes the degree to which effort is directed in the development of the organization future capabilities. If correctly designed, Performance related pay practice can lead to attractive behavior for a firm.

On the other hand, if incorrectly designed or administered, they can lead to the steady deterioration of an organization leading to its immediate demise (Flamholtz, 1996).

Performance related pay practices are necessary mainly because they give preference to service over self-interest. It also means there is need for an equitable distribution of wealth. One test of equity is how well to affirm the fact that the success of the institution is in the hands of people at each level (Block, 2005). According to Armstrong (2009), it is better to separate performance management and pay, so as to make a distinction between developmental potential and the impact of employee performance on incremental pay rises. He describes the difficulty in paying for performance where it needs to be measurable on different levels, thus evidence based and this evidence needs to be seen to be fair and transparent and not conducted behind closed doors.

In a Chartered Institute of Personnel Development (CIPD) survey in 2009, they found that the “remarkably low proportion of 12% of respondents had evaluated their performance-related pay schemes”. This indifference to the current relevance of their reward systems contrasted completely to the attention and funding given to training schemes for employees and considering how much is spent on pay and rewards. Therefore, more attention should be given to this rather than training programs considering the consequences those poor rewards systems can have on employees.

Organizations that spread pay more evenly drive away high performers and encourage the same type of average performance. This report argues financial remuneration should be based on the value added to the organization. According to De Waal & Jansen (2011) in their study on the role of reward systems in the high performance organization, they found out that pay related bonuses to be neither effectual nor ineffectual to an employee performance. Having the right type of rewards program will help workers to grow, mature and ultimately add value to an organization

There is ample evidence to suggest certain types of performance related pay increases productivity. According to Gilmore & Smith (2005), they refer to this high performance organization to been non-hierarchical and moving away from central management control to a more team based form of working with responsibilities spread more evenly and based on high levels of trust and communication. This raises some interesting points on how to reward these teams, either collectively or

individually, and how reward systems work in the team based environment. To enhance this point, employee motivation can be driven more by intrinsic rewards such as doing work you enjoy than by extrinsic rewards (pay, bonuses).

According to Stumpf (2013) in his study on employee and change initiatives, he focused on two intrinsic rewards, meaningfulness and choice. He argued that these are essential to employee satisfaction and retaining employees in times of organizational uncertainty and change. So in this case, intrinsic rewards were more effective than monetary rewards. This is in the context of organizational change, so it is interesting to note that job satisfaction and intention to stay within one's role during times of organizational change, rely of the correct blend of non-financial rewards. Job satisfaction is an important factor in an employee's performance and intrinsic rewards play an important part in this.

However, conversely in their study of reward structures within the British construction industries (Drunker & White, 1996) showed that due to the project nature of that industry and the clear distinction in its work force between the manual and white color workforce, performance related pay systems may yield results among professional and senior managers in that industry. It suggests that this performance pay model could be developed in the context of improving performance in a project team and around a competency or skill based pay.

2.3.5 National Hospital Insurance Fund Act (2016) and Employee Performance

The National Hospital Insurance Fund Act in Kenya has undergone several amendments in a bid to improve access to medical treatment, and increase the productivity and longevity of its citizens. The latest installments in these amendments are meant to further widen the health safety net of the members to include family planning (FP) and Human Immunodeficiency Virus (HIV) coverage for its members. The reforms are set to impact delivery and financing of the mandated benefits package by allowing members to access in and out-patient services in a benefit package, with no cost at the point of use for patients (Health Policy Plus, 2017).

This supports Kenya's efforts to achieve universal health coverage (UHC) and will facilitate an increase in the number of people who can obtain health insurance at an affordable premium, reducing out-of-pocket expenditure and ultimately reducing catastrophic health expenditure. The adopted National Hospital Insurance Fund

amendment bill (2016) frees up resources to be used for service delivery, contributing to domestic resource mobilization for health, and increasing access to essential health

services. Evidently, the gearing of the service delivery portfolio by the new amendments mean that the National Hospital Insurance Fund's human resource capabilities must necessarily match the new regime in order to deliver the services efficiently and as per expectations.

According to the Act, the Board may, by resolution either generally or in any particular case, delegate to any committee of the Board or to any member, officer, employee or agent of the Board the exercise of any of the powers or the performance of any of the functions or duties of the Board under this Act. The Board, in consultation with the Minister, shall pay members of the Board such remuneration, fees or allowances for expenses as the Board may determine.

Subject to section 14, no matter or thing done by a member of the Board or any officer, employee or agent of the Board shall, if the matter or thing is done bona fide for executing the functions, powers or duties of the Board under this Act, render the member, officer, employee or agent or any person acting on their directions personally liable to any action, claim or demand whatsoever (NHIF Act, 2016). Evidently, the Act does not hold the NHIF employees liable for misconduct when carrying out their official duties as prescribed within the act (Part 2(13)), it does indeed transfer the liability to their employer, the NHIF Board that could end up in a lawsuit if the aggrieved party so chooses.

According to Section 14 of the Act, the provisions of section 13 shall not relieve the Board of the liability to pay compensation or damages to any person for any injury to him, his property or any of his interests caused by the exercise of any power conferred by this Act or any other written law or by the failure, whether wholly or partially, of any works. This, therefore, underscores the need for close and better working relationship to execute their mandate in line with the new law. The law further gives the Board the latitude to manage their employee affairs but limits their power to sack them if they are public servants. Therefore, a great deal of innovation is required to boost employee performance under the Act.

The law does not prescribe any innovations that the Board can take to improve employee productivity and performance. It rather spells out the obligations of the Board and employee in relation to their enjoyment and possible termination of contract. This

is done in the second schedule where it states that every public officer having the power or duty to effect or amend any entry in a register relating to property or to issue or amend any certificate or other document effecting or evidencing title to property, shall, without payment of a fee or other charge and upon request made by or on behalf of the Board, do all such things as are by law necessary to give final effect to the transfer of the property mentioned in subparagraph (1).

Further, subject to subparagraph (2), the officers, inspectors and servants appointed for the administration of the Fund in office on the appointed day shall be deemed to officers, inspectors and servants appointed by the Board under section 11 of the Act. Within twelve months after the appointed day, the Board shall review the qualifications of all persons deemed to be employees of the Board under subparagraph (1). The Board may retain those found suitably qualified for employment subject to such persons opting to remain in the service of the Board; and such terms and conditions of service (not being to the disadvantage of such persons) as may be agreed with the Board.

Any employee not retained by the Board under subparagraph (2) may exercise his option to either retire from the service of the Board; or be redeployed within the public service. Where an employee enters into an agreement with the Board under subparagraph (2), his service with the Government shall be deemed to be terminated without the right to severance pay but without prejudice to all other remuneration and benefits payable upon the termination of his appointment with the Government. Therefore, it is incumbent on the Board to determine how best to manage their employees in such a way as to encourage their productivity and performance at all times.

2.4 Conceptual Framework

Conceptual framework is a concise description of the phenomena under study accompanied by a graphical or visual depiction of the major variables of the study (Mugenda&Mugenda, 2003). This interlinks of variable are depicted in figure 2.1

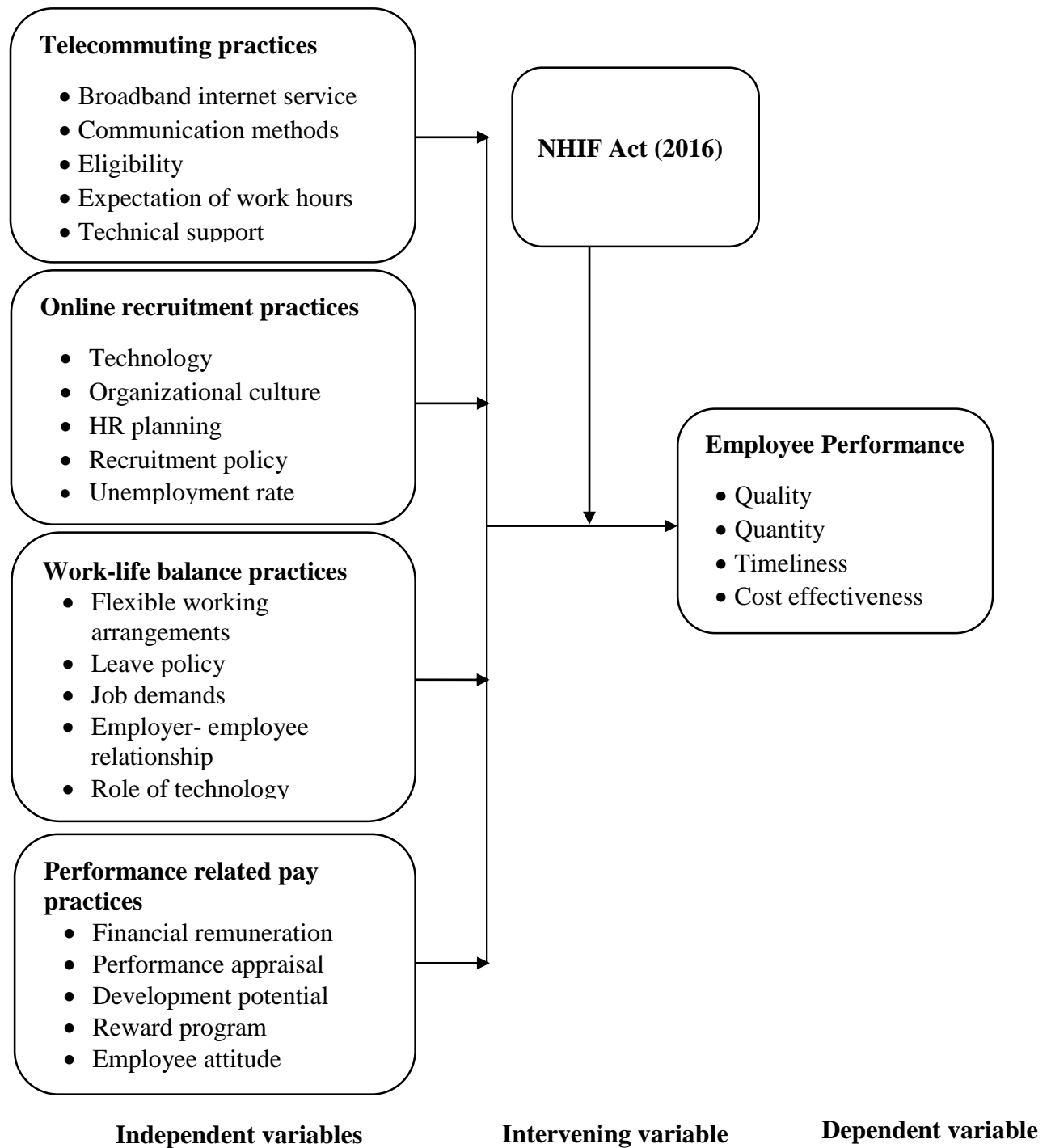


Figure 2.1: Conceptual Framework

2.5 Summary of the Reviewed Literature

The concept of strategic human resource innovation practices has a clear focus on implementing strategic change and growing the skill base of the organization to ensure that the organization can compete effectively in the future. Based on theories such as Resource based view and Ability, Mobility & Opportunity, It is true to say

that strategic human resource innovation practices have influence on employee performance in that some variables which are both strategic and innovative have to be put into consideration for effective and efficient performance of employees. Some of the strategic measures include the attitudes (affective, behavioral and cognitive), creativity, cooperation, communication and teamwork. All these variables will determine the quality of work done and initiatives taken, hence the level of productivity. Majority of employees want to be part of a compelling future, want to know what is most important at work and what excellence looks like. For targets to be meaningful and effective in motivating employees, they must be tied to larger organizational ambitions. An advice in improving employee performance is to encourage employee communication not only among employees but among managers as well adopting strategic human resource innovation practices at National Hospital Insurance Fund requires the management to be on constant check of their every move, carry out thorough assessment and planning on how to improve employee performance. This is so essential because employees are the most valued asset of any organization and so must be provided with better opportunities to be more productive and motivated. This will minimize on negative aspects such as absenteeism, poor work ethics, mishandling organization's resources and poor time management.

2.6 Research Gaps

Previous researchers have conducted studies on human resource practices explaining the relationship between human resource practices and employee performance. Some of the studies include: Jiménez & Valle (2008) on the role of human resource practices on innovation processes, Chen (2009) on strategic human resource practices and innovation performance, Singh (2004) on impact of human resource practices on perceives firm performance and George (2015) on strategic human resource practices and employee retention in commercial banks in Kenya. All these studies examine the importance human resource practices in an organization and impact on firm performance.

From the mentioned studies, it is true to argue that different studies around the globe have been conducted focusing on human resource practices and organizational performance. However, very limited numbers of studies have been conducted on the influence of strategic human resource innovation practices on employee performance

in context of National Hospital Insurance Fund, Nakuru branch in Kenya. The key aspects on this study focus on employee performance, the variables in consideration which are strategic human resource innovation practices (telecommuting, online recruitment, performance related pay and work life balance practices).

Many studies have been conducted focusing on the impact of human resource practices on organizational performance with very little concentration on the aspect of innovation and how it affects employee performance. Practices such as telecommuting, online recruitment, and performance related pay and work life balance have been less explained in many human resource researches due to inconsistent results. Therefore, this study has been undertaken to fill this obvious research gaps.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the methods which were applied in carrying out the research study.

3.2 Research Design

The study was undertaken using descriptive research design, census technique. According to Elahi and Dehdashti (2011), descriptive research is appropriate when the objective is to determine the degree of the relatedness of the variables. Additionally, census technique is preferred since information is collected from all units in the population. Census is used when accurate information is needed. Advantage of using census strategy is that data from small areas may be available assuming satisfactory response rates are achieved. Descriptive research design can either be quantitative or qualitative, and can often utilize elements of both within the same study. Both primary and secondary data collection methods were used for the study.

3.3 Target Population

Population refers to the entire group of people or things of interest that the researcher wishes to investigate (Sekaran, 2010). According to Mugenda & Mugenda (2003), population is an entire group of individual or objects having common observable characteristic. Currently National Hospital Insurance Fund has 4,800 employees all over the country out of which 60 are based in Nakuru branch including the Molo and Olenguruone satellites comprising of managers and staff members.

Table 3.1: Target Population

Level	Target Population	Percentage
Senior management	2	3.33%
Middle management	3	5%
General staff members	55	91%
Total	60	100%

3.4 Census Technique

Census method was used to collect data since the entire population was to be given questionnaires to fill in. The purpose is to gain deeper understanding of this particular type of technique (Neuman, 2009), and not to generalize the findings. The study focused on case at National Hospital Insurance Fund, Nakuru branch, Kenya.

3.5 Data Collection Instrument

Data was collected using a structured questionnaire with close-ended questions on a 5 point Likert scale. The close-ended Likert rating scaled the items on (5, 4, 3, 2 and 1) where 5-strongly agree, 4-agree, 3-neutral 2-disagree and 1-strongly disagree. Questionnaires are research instruments used to collect information towards addressing specific objectives (Kombo, 2002).

3.6 Pilot Testing

Prior to conducting the main research, a pilot study was conducted to test reliability and validity of the research instrument by pre-testing the questionnaires. A pilot test was conducted at National Hospital Insurance Fund, Molo branch using four questionnaires. A content validity test was conducted to ensure all indicators measured were adequately represented.

3.6.1 Validity Test

Validity is the degree to which an instrument measures what it's supposed to measure (Kothari, 2004). The validity of the research instrument was established through consultation with the research supervisor. Furthermore, the questionnaires were subjected to pre-test to detect any deficiencies in it. Comments and suggestions made by the pre-test participants were incorporated in order to address some insufficiencies which may occur in the questionnaire.

3.6.2 Reliability Test

Joppe (2000) defined reliability as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Reliability was assessed using Cronbach's Coefficient Alpha, with the rule of thumb that an alpha above .70

indicates good correlation between the item and the true scores and lower alpha levels suggest that the sample of items is a poor.

Table 3.2: Reliability Test

Variable	No. of Test Items	Cronbach Alpha
Telecommuting Practices	5	.8728
Online Recruitment Practices	5	.8214
Work Life Balance Practices	5	.7726
Performance Related Pay Practices	5	.8134
NHIF Act (2016)	5	.7842

The reliability test on the pilot data showed that Telecommuting Practices items had a Cronbach Alpha score of 0.8728, Online Recruitment Practices items had a Cronbach Alpha of 0.8214, Work Life Balance Practices (0.7726) Performance Related Pay Practices (0.8134), and NHIF Act of 2016 (0.7842). This means that the data was reliable given that the Cronbach Alpha scores were > 0.7. According to Mohsen & Dennick (2011), a reliability coefficient of .70 or higher indicates consistency. This thus enabled the researcher to go ahead with the main data collection exercise.

3.7 Data Analysis and Presentation

The data collected was analyzed using the Statistical Package for Social Sciences (SPSS version 22) tool. Descriptive statistics was generated. Additionally, a regression analysis was conducted to test if the strength of the relationship between the independent variables and the dependent variable are statistically significant. The regression analysis was guided by the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

.....Equation (3.2)

Where,

Y represents the employee performance; β_0 is model's intercept; β_1 to β_4 are regression coefficient denoting the slope of the independent variables; X_1 is telecommuting practices; X_2 is online recruitment practices; X_3 is work-life balance

practices; X_4 is performance related pay practice; ε is the model error term. The equation was based on the assumptions that the relationship between independent and dependent variables is linear, and also that there is little or no multicollinearity in the data. This occurs when the independent variables are not dependent on each other.

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction

This chapter presents the results of research and discussions. The presentation of the results is done according to the objectives of the study. The chapter begins with the demographic characteristics of the respondents such as age, educational level, tenure and gender. Descriptive statistics for the items in the instrument are also presented using means for each item to define the relative opinion of the respondents for that particular item. The results from the correlations and the regression analysis are also presented.

4.2 Response Rate

The researcher sent out a total of 60 questionnaires to the staff of National Hospital Insurance Fund in the Nakuru office. Out of the 60 instruments issued, 46 were returned duly completed representing a response rate of 76.6%. All the 46 duly returned questionnaires were found to have been correctly filled. This was a high response rate and was deemed good for the purposes of analysis. This high response rate was achieved by the method of instrument administration which was in this case researcher administered. Also the fact that data was collected from one point made it possible to achieve the high response rate. The Likert scales in closed ended questions in the questionnaires were converted to numerical codes and scored on 1-5 point scale in order of magnitude of the construct being measured. They were then entered into the Statistical Package for Social Sciences (SPSS) version 22.0 computer program.

4.3 Respondents' Profile

Frequency distributions were used to indicate variations of respondents based on age, gender, tenure and length of service. Descriptive statistics aided the study in illustrating the characteristics of the respondents and nature of the data in line with the study objectives.

4.3.1 Gender of the Respondents

Findings related to the marital status of the respondents by gender were presented on Table 4.1

Table 4.1: Gender of the respondents

Response	Frequency	Percentage
Male	18	39.1
Female	28	60.9
Total	46	100.0

The gender results indicate that 18 (39.1%) of the respondents were male while 28 (60.9%) were female. This means that there is gender parity at the National Hospital Insurance Fund with regard to their employees. Thus the responses would be balanced in terms of the perspectives from personalities of both genders. The results showed that there is a majority of females in National Hospital Insurance Fund compared to males and this can be attributed to the fact that the tasks involved such as checking the status of members' contributions, directing members to appropriate facilities, etc. appeal more to females than to males.

4.3.2 Ages of the respondents in years

Table 4.1: Ages of the respondents

Age	Frequency	Percentage
Below 25 years	3	6.5
26 -35 years	15	32.6
36-45 years	18	39.1
46-50 years	4	8.7
Above 50 years	6	13.2
Total	46	100.0

Results on the age of the respondents indicate that three (6.5%) of the respondents were aged below 25 years reasons being it's a trial period that could lead to something more and the fund needs to monitor this particular age group of employees so as to see their skills and work ethics for possible recruitment. Fifteen (32.6%), said that they were aged between 26 - 35 years. This could be based on the ease of use of technology in that this particular age group of employees is believed to be more innovative. Eighteen (39.1%) were aged between 36 – 45 years and this could be

attributed to the fact that the years of experience in the workplace gave this particular age group of employees a superior understanding of how jobs can be done more efficiently, which saves the fund money. Four (8.7%) were aged between 46 - 50 years and could be explained by the fact that employees in this category of age group were seen to be more of detail-oriented, focused and attentive qualities that tend to add an intangible value that rubs off on all employees. Six (13.2%) were aged above 50 years which could be attributed to the fact that all of them already have insurance plans or have an additional source of income thereby making them to be willing to take a little less to get the job they want. This means that National Hospital Insurance Fund has a fair representation in all the age groups

4.3.3 Duration with the Institution in years

Table 4.2: Duration with the firm in years

Duration	Frequency	Percentage
less than 5 years	13	28.3
5-10 years	13	28.3
10-15 years	12	26.1
15-20 years	5	10.8
over 20 years	3	6.5
Total	46	100.0

The results in Table 4.3 shows that a large proportion of the employees 13 (28.3%) have been working with National Hospital Insurance Fund for either less than 5 years or between 5 to 10 years, respectively. For those employees who have worked for less than 5 years, It can be said they haven't really known the system very well and so haven't developed "bad" habits and therefore can easily be molded to fit into a desired culture and work pattern without the task of breaking unwanted routines. This was followed by 12 (26.1%) who have worked for National Hospital Insurance Fund for between 10 - 15 years, five (10.8%) % who have worked for the Fund for between 15 – 20 years, and 3 (6.5%) who have worked for the Fund for over 20 years. This signified high level of maturity which comes from years of life and work experience making employees to handle issues amicably in the event of problems.

4.4 Descriptive Statistics

This section presents descriptive analysis relating to the study variables namely telecommuting practices, online recruitment practices, work-life balance practices, performance related pay practices, the National Hospital Insurance Fund Act (2016), and employee performance at National Hospital Insurance Fund, Nakuru.

4.4.1 Telecommuting Practices

The study brings to light the fact that Telecommuting Practices affect employees' performance as shown in Table 4.4:

Table 4.3: Telecommuting Practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	Std. Dev
Employees are better off working remotely rather than in office setup	46	20	17	3	6	0	2	5	4.10	1.292
Employees are expected to work for the agreed hours without fail	46	15	12	10	7	2	1	5	3.92	1.353
Expansion of broadband internet services to employee's home decreases job stress	46	14	16	11	3	2	1	5	3.78	1.052
Employee level of eligibility should be put into consideration so as to motivate employees	46	15	10	12	7	2	1	5	3.67	1.071
Deploying successful telecommuting program requires substantial planning and technical support	46	16	14	9	6	1	2	5	3.98	1.045
GRAND MEAN									3.89	

From Table 4.4, It was observed that the respondents held the view that, Employees are better off working remotely rather than in office setup, (mean = 4.10, std. dev = 1.292). Employees are expected to work for the agreed hours without fail (mean = 3.92, std. dev = 1.353). Expansion of broadband internet services to employee's home decreases job stress (mean = 3.78, std. dev = 1.052). Employee level of eligibility should be put into consideration so as to motivate employees (mean = 3.67, std. dev = 1.071). Deploying successful telecommuting program requires substantial planning and technical support (mean = 3.98, std. dev = 1.045).

$$\begin{aligned}
 \text{Grand Mean} &= \frac{\sum \mu}{N} \\
 &= \frac{4.10 + 3.92 + 3.78 + 3.67 + 3.98}{5} \\
 &= 3.89 \text{ (Round off to the significant figure)} \\
 &= 4.00
 \end{aligned}$$

According to the close ended Likert scale rating, 4.00 falls under Agree (A), meaning that averagely, employees of National Hospital Insurance Fund were complying with the decision regarding adoption of telecommuting practices at National Hospital Insurance Fund.

4.4.2 Online Recruitment Practices

Online Recruitment Practices are an important influence on the performance of the National Hospital Insurance Fund employees. The study sought to analyse the extent to which Online Recruitment Practices influenced employees' performance in National Hospital Insurance Fund, Nakuru branch. The objective was achieved by asking the respondents to respond to questions that best described their current online recruitment practices. These together with other items were each rated on a 5-point Likert scale ranging from: 5 = Strongly Agree to 1 = Strongly Disagree and the results summarised in table 4.5

Table 4.4: Online Recruitment Practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	SD
Internet recruitment has become a key medium for recruiting employees through advanced technology	46	15	12	10	7	2	2	5	3.95	1.320
Measures should be put in place to ensure that the recruitment team cultivates culture in the workplace	46	20	17	4	5	0	2	5	4.12	.875
Online recruitment policy should be adopted and implemented	46	18	17	5	6	0	1	5	4.00	1.963
HR planning is required for effective use of online recruitment	46	16	14	9	2	1	1	5	3.85	1.220
The working space area is sufficient and roomy enough	46	20	21	3	2	0	2	5	4.33	.872
GRAND MEAN									4.05	

It was established that Internet recruitment has become a key medium for recruiting employees through advanced technology (mean=3.95, std.dev=1.320). Measures should be put in place to ensure that the recruitment team cultivates culture in the workplace (mean=4.12, std.dev=0.875). Online recruitment policy should be adopted and implemented (mean=4.00, std.dev=1.963). HR planning is required for effective use of online recruitment mean=3.85, std.dev=1.220). The working space area is sufficient and roomy enough (mean=4.33, std.dev =0.872).

$$\begin{aligned}
 \text{Grand Mean} &= \frac{\sum \mu}{N} \\
 &= \frac{4.10+3.92+3.78+3.67+3.98}{5} \\
 &= 4.05
 \end{aligned}$$

Based on the close ended Likert scale rating, 4.05 lies in the Agree section (A), meaning that averagely, employees of National Hospital Insurance Fund are in accord with the adoption of online recruitment practices at National Hospital Insurance Fund.

4.4.3 Work Life Balance Practices

The study brings to light the fact that balance between combinations and interactions of the different areas of one's employment and family is important to the performance of National Hospital Insurance Fund employees. The objective was achieved by asking the respondents to respond to questions that best described their work life balance interactions. These together with other items were each rated on a 5-point Likert scale ranging from: 5= Strongly Agree to 1= Strongly Disagree and the results summarised in Table 4.6

Table 4.5: Work Life Balance Practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	SD
Flexible working arrangements are essential at the workplace	46	21	18	3	4	0	2	5	4.15	.677
Employees benefit from leave policy adopted	46	16	14	9	2	1	1	5	3.84	.345
Work-life balance practices help meet job demands	46	21	20	5	0	0	3	5	4.25	1.032
Employers and employees work together to place arrangements	46	19	16	3	6	2	1	5	4.04	1.333
Due to work-related duties, I have to make changes to my plans for extracurricular activities	46	6	10	12	13	4	1	5	3.46	0.965
GRAND MEAN									3.948	

From Table 4.6, It was observed that, Flexible working arrangements are essential at the workplace (mean=4.15, std.dev=0.677).Employees benefit from leave policy adopted (mean=3.84, std.dev=0.345).Work-life balance practices help meet job demands (mean=4.25, std.dev (1.032).Employers and employees work together to place arrangements (mean=4.04, std.dev=1.333.), Due to work-related duties, I have to make changes to my plans for extracurricular activities (mean=3.46, std.dev= 0.965).

$$\text{Grand Mean} = \frac{\sum \mu}{N}$$

$$= \frac{4.15 + 3.84 + 4.25 + 4.04 + 3.46}{5}$$

=3.948 (Round off to the next significant figure)

= 4.00

Based on the close ended Likert scale rating, 4.00 lies in the Agree section (A). This means that averagely, most employees are in support of adoption of work life balance practices at National Hospital Insurance Fund.

4.4.4 Performance Related Pay Practices

Table 4.6: Performance Related Pay Practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	SD
Financial remuneration is an attribute that can be used to measure employee's job satisfaction	46	23	20	3	0	0	3	5	4.42	1.077
Employees' efficiency can be determined if the targets are achieved through the performance appraisals	46	14	14	10	6	2	1	5	3.88	.203
Having the right type of reward program will help workers to grow and add value to the workplace	46	20	17	4	4	1	1	5	4.10	1.346
It is important for a firm to evaluate their developmental potential on a consistent schedule	46	4	10	13	16	3	1	5	2.94	.098
Employees should have skills that match the requirements of a firm	46	7	12	12	13	1	1	5	3.65	.766
GRAND MEAN									3.79	

Based on Table 4.7, It was found out that Financial remuneration is an attribute that can be used to measure employee’s job satisfaction (mean=4.42, std.dev=1.077).

Employees’ efficiency can be determined if the targets are achieved through the performance appraisals (mean=3.88, std.dev= 0.203). Having the right type of reward program will help workers to grow and add value to the workplace (mean=4.10, std.dev=1.346). It is important for a firm to evaluate their developmental potential on a consistent schedule (mean=2.94, std.dev=0.098). Employees should have skills that match the requirements of a firm (mean=3.65, std. dev=0.766).

$$\begin{aligned} \text{Grand Mean} &= \frac{\sum \mu}{N} \\ &= \frac{4.42+3.88+4.10+2.94+3.5}{5} \\ &= 3.79 \text{ (Round off to the next significant figure)} \\ &= 4 \end{aligned}$$

According to the close ended Likert scale rating, 4.00 falls under Agree (A), meaning that averagely, most employees at National Hospital Insurance Fund are for the adoption of performance related pay practices. This could be judged on the basis of differences in employees’ perception.

4.4.5 NHIF Act (2016)

Table 4.7: NHIF Act (2016)

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	SD
The NHIF Act (2016) has led to increase in employees’ job satisfaction	46	4	10	14	16	4	1	5	2.96	.057
The NHIF Act (2016) has facilitated increase in Employees’ efficiency	46	15	10	12	7	2	1	5	3.67	.120
The NHIF Act (2016) has increased value in the workplace	46	18	20	3	5	0	2	5	3.86	1.046
The NHIF Act (2016) has led to increase in program developments	46	12	10	11	7	6	1	5	3.91	1.221

The NHIF Act (2016)has enabled employees improve on innovations	46	12	11	10	10	3	1	5	3.25	.414
GRAND MEAN									3.53	

According to table 4.8, It was noted that the NHIF Act (2016) has led to increase in employees' job satisfaction (mean=2.96, std.dev=0.057). The NHIF Act (2016) has facilitated increase in Employees' efficiency (mean=3.67, std.dev=0.120). The NHIF Act (2016) has increased value in the workplace (mean=3.86, std.dev=1.046). The NHIF Act (2016) has led to increase in program developments (mean=3.91, std.dev=1.221). The NHIF Act (2016) has enabled employees improve on innovations (mean=3.25, std.dev=0.414).

$$\begin{aligned}
 \text{Grand Mean} &= \frac{\sum \mu}{N} \\
 &= \frac{2.96+3.67+3.86+3.91+3.25}{5} \\
 &= 3.53
 \end{aligned}$$

Based on the grand mean (3.53) which falls under neutral (N) as per the close ended Likert scale rating, some employees comply with the NHIF Act while others do not. This can be attributed to the fact that there is a lot of diversity of thought and innovation in terms of experience thereby creating the need for the management to carefully evaluate different needs of both employees and the fund as a whole.

4.4.6 Employee Performance

Table 4.8: Employee Performance

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	Min	Max	μ	SD
Quality, quantity, timeliness and cost effectiveness are important determinants pertaining employee performance	46	7	12	12	13	1	1	5	3.65	.766
It is necessary for an employee to accomplish given work element by a certain time limit	46	26	17	3	0	0	3	5	4.58	.120
Management should demonstrate that performance is critical to organizational and individual success	46	23	20	3	0	0	2	5	4.02	1.046
Flexible plans should be developed to allow for changes in program goals to keep the process of employee performance credible	46	12	10	12	7	5	1	5	3.94	1.082
Measurement in terms of percent (%) should be used for rating of employee performance	46	13	11	10	9	3	1	5	3.75	.644
GRAND MEAN									3.998	

The study showed that, Quality, quantity, timeliness and cost effectiveness are important determinants pertaining employee performance (mean=3.65, std.dev=0,766). It is necessary for an employee to accomplish given work element by a certain time limit (mean= 4.58, std.dev =0.120). Management should demonstrate that performance is critical to organizational and individual success (mean=4.02, std.dev=1.046).

Flexible plans should be developed to allow for changes in program goals to keep the process of employee performance credible (mean=3.94, std.dev=1.082). Measurement in terms of percent (%) should be used for rating of employee performance (mean=3.75, std.dev=0.644).

$$\begin{aligned}\text{Grand Mean} &= \frac{\sum \mu}{N} \\ &= \frac{3.65+4.58+4.02+3.94+3.75}{5} \\ &= 3.988 \text{ (Round off to the next significant figure)} \\ &= 4.00\end{aligned}$$

According to the close ended Likert scale rating, 4.00 falls under Agree (A), meaning that averagely, most employees at National Hospital Insurance Fund are for the idea of productivity in terms of performance.

4.5 Inferential Analysis

4.5.1 Correlation

The results of Pearson's correlation tests are as shown in Table 4.10

Table 4.9: Correlations between the independent and the dependent variables

		Telecommu ting Practices	Online Recruitmen t Practices	Work Life Balance Practice s	Performanc e Related Pay Practices	Employee Performanc e
Telecommuting Practices	Pearson Correlation	1	.725**	.628*	.526**	.527*
	Sig. (2- tailed)		.000	.000	.000	.000
	N	46	46	46	46	46
Online Recruitment Practices	Pearson Correlation	.725**	1	.625**	.567**	.603*
	Sig. (2- tailed)	.000		.000	.000	.000
	N	46	46	46	46	46
Work Life Balance Practices	Pearson Correlation	.628*	.825**	1	.677*	.523*
	Sig. (2- tailed)	.000	.000			.000
	N	46	46	46	46	46
Performance Related Pay Practices	Pearson Correlation	.526**	.837**	.677*	1	.511**
	Sig. (2- tailed)	.000	.000	.000	.000	.000
	N	46	46	46	46	46
Employee Performance	Pearson Correlation	.527*	.743*	.633*	.642**	1
	Sig. (2- tailed)	.000	.000	.000	.000	
	N	46	46	46	46	46

*. Correlation is significant at the 0.05 level (2-tailed).

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

In this subsection a summary of the correlation analyses is presented. It seeks to first determine the degree of interdependence of the independent variables and also show the degree of their association with the dependent variable separately. These results are summarized in Table 4.10.

At 0.05 significance level, there is a statistically negative relationship between telecommuting practices and employee performance at National Hospital Insurance Fund. It is thus inferred that telecommuting practices predicate employee performance in National Hospital Insurance Fund. Telecommuting practices have a positive relationship with employee performance ($r=0.527$ $p<0.05$).

The analysis also indicates that online recruitment practices has a positive relationship with employee performance at National Hospital Insurance Fund ($r=0.603$; $p<0.05$). This could be argued to imply that the introduction of online recruitment practices contributed to employee performance at National Hospital Insurance Fund where if online recruitment practices were improved employee performance would improve following the strong positive relationship (0.603).

The analysis further indicated that Work life balance practices had a positive relationship with employee performance at National Hospital Insurance Fund ($r=0.523$; $p<0.05$). This could also imply that work life balance practices contributed to employee performance at National Hospital Insurance Fund where if work life balance practices were improved employee performance would as well improve at strong positive relationship (0.523).

The analysis also indicated that performance related pay practices had a positive relationship with employee performance at National Hospital Insurance Fund ($r=0.511$, $p<0.05$). This could also imply that performance related pay practices contributed to employee performance at National Hospital Insurance Fund where if performance related pay practices were improved employee performance would as well improve at strong positive relationship (0.511).

4.5.2 Summary of Regression Model

From the results shown in Table 4.11, the model shows a goodness of fit as indicated by the coefficient of determination (r^2) with a value of 0.676. This implies that the variations in independent variables; Telecommuting practices, Online recruitment practices, Work life balance practices and Performance Related Pay practices explain sixty seven point seven percent (67.6%) of the variation in Employee performance at National Hospital Insurance Fund.

Table 4.10: Regression Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.822	0.676	0.6011	0.6442

a. Predictors: (Constant), Telecommuting practices, Online recruitment practices, Work life balance practices, Performance related pay practices

Table 4.11: Regression Results with four independent variables

	Unstandardized		Standardized	Sig
	Coefficients		Coefficients	
	B	Std. Error	Beta	T
(Constant)	.836	.342		0.65
Telecommuting practices	.572	.167	.854	.010
Online recruitment practices	.875	.345	.642	.034
Work life balance practices	.374	.109	.677	.002
Performance related pay practices	.488	.144	.584	.048

a. Dependent Variable: Employee performance at National Hospital Insurance Fund

According to the results, the following model is the regression equation representing the relationship between the Employee performance at National Hospital Insurance Fund as a linear function of the independent variables (Telecommuting practices, online recruitment practices & Work life balance practices, and Performance related pay practices):

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots\dots$$

$$Y = 0.836 + 0.572X_1 + 0.875X_2 + 0.374X_3 + 0.488X_4$$

Employee performance at National Hospital Insurance Fund = 0.836 + 0.572 Telecommuting practices + 0.875 Online recruitment practices + 0.374 Work life balance practices + 0.488 Performance related pay practices. The results shown

indicated that a change of 1 unit in employee performance was subject to a change of 0.572 unit in Telecommuting practices, 0.875 unit in Online recruitment practices, 0.374 unit in Work life balance practices and 0.488 unit in Performance related pay practices while holding other factors constant (0.836).

The results of t-statistics were employed to address the null hypotheses.

H₀₁: Telecommuting practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

H_{A1}: Telecommuting practices have significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

The statistical test is T – test at the 0.05 significance level.

The first null hypothesis was rejected since ($t= 3.362; p<0.05$). This implied that there exist significant influence in the relationship between telecommuting practices and employee performance.

H₀₂: Online recruitment practices have no significant impact on employee performance at National Hospital Insurance Fund, Nakuru branch.

H_{A2}: Online recruitment practice has significant impact on employee performance at National Hospital Insurance Fund, Nakuru branch.

The statistical test is T – test at the 0.05 significance level.

The second null hypothesis was rejected since ($t=.4.212; p<0.05$). This indicated significant impact in the relationship between Performance related pay practices and employee performance National Hospital Insurance Fund, Nakuru branch.

H₀₃: Work –life balance practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

H_{A3}: Work –life balance practices have significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

The statistical test is T – test at the 0.05 significance level.

The third null hypothesis was also rejected since ($t=3.431$; $p<0.05$). This showed that there is a significant influence in the relationship between work life balance practices and employee performance National Hospital Insurance Fund, Nakuru branch.

H₀₄: There is no significant influence in the relationship between Performance related pay practices and employee performance National Hospital Insurance Fund, Nakuru branch.

H_{A4}: There is a significant influence in the relationship between Performance related pay practices and employee performance National Hospital Insurance Fund, Nakuru branch.

The statistical test is T – test at the 0.05 significance level.

The fourth null hypothesis was also rejected since ($t=1.114$; $p<0.05$) implying significant influence in the relationship between Performance related pay practices and employee performance National Hospital Insurance Fund, Nakuru branch.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings, conclusions and recommendations of the study based on the research objectives. Suggestions for further research are also given at the end of the chapter. The implications of the research are discussed and suggestions made on areas of further study. Some useful recommendations for all the stakeholders are proposed by this study at the end of the chapter to enlighten and enable them to craft viable solutions with regard to the problem statement based on the research findings.

5.2 Summary of the Findings

Data analysis gave the following findings, which are summarized below as per the objectives: Correlation analysis on telecommuting practices on the employee performance at National Hospital Insurance Fund showed that employee performance was strongly and positively correlated with telecommuting practices by a correlation coefficient of 0.827.

The study found online recruitment practices had a correlation with employee performance of 0.743 which is a strong and positive correlation. This finding asserts the need for online recruitment practices for employee performance at National Hospital Insurance Fund.

On the third objective the study found that Work life balance practices influence employee performance at National Hospital Insurance Fund as work life balance practices are strongly and positively correlated with employee performance as indicated by a coefficient of 0.633. Thus the study finds that Work life balance practices influence the employee performance at National Hospital Insurance Fund.

On the fourth objective the study found that Performance related pay practices influence employee performance at National Hospital Insurance Fund as performance related pay practices are strongly and positively correlated with employee performance as indicated by a coefficient of 0.642. Thus the study finds that performance related pay practices influence the employee performance at National Hospital Insurance Fund.

5.3 Conclusions

From the research analysis, it was concluded that telecommuting practices were relevant to National Hospital Insurance Fund, Nakuru branch. The benefits of telecommuting, both actual and perceived, well-documented as they include increased employee productivity, increased quality contact with customers, reductions in traffic congestion and air pollution.

Online recruitment practices have influence on employee performance as it was seen as an effective recruitment medium especially when recruiting graduates, IT and technical professionals and middle managers. With Online recruitment practices, National Hospital Insurance Fund, Nakuru branch have a number of choices such as encouraging direct applicants through their own website, setting up their own recruitment website, or advertising vacancies on specialist internet recruitment sites.

Work –life balance practices have influence on employee performance at National Hospital Insurance Fund, Nakuru branch since it was able to cut across employers working constructively with their employees to put in place arrangements, which take into account the needs of the Fund. Benefits of such practices were seen as respondents showed levels of motivation as shown in the presentations

Performance related pay practice have influence on employee performance at National Hospital Insurance Fund, Nakuru branch as it indicated the basis of command of human behavior.. It helped to verify performance in relation to current goals. The practices also shaped the degree to which effort was directed in the development of National Hospital Insurance Fund Act.

5.4 Recommendations

In this study, some recommendations have been made to increase employee performance at National Hospital Fund and other institutions.

In an effort to remain competitive in the market, National Hospital Insurance Fund should consider implementing and improve on telecommuting practices as it offers flexibility which in turn increases employee productivity, increase quality contact with customers and reduction in traffic congestion and air pollution.

The management of National Hospital Insurance Fund is also advised to consider improving the Online Recruitment Practices especially because we live in a technological world. These practices are essential because they increase diversity in the work place in that, they attract large pool of applicants from different backgrounds with different skills.

It is also proposed to the management of National Hospital Insurance Fund to improve work life balance practices reasons being, they help reduce work- life conflicts among employees which promotes health working conditions which in turn increase productivity of employees.

Lastly, the research study advocates for improvement on Performance Related Pay practices at National Hospital Insurance Fund because it is the basis of command of human behavior within an organization. The practices majorly influence the possibility of people joining and remaining in an organization and thus deemed as important.

Managers should put more effort in encouraging their employees to come up with suggestions and useful decisions and endeavor to incorporate them into the organization's decisions and policy with regard to Telecommuting Practices, Online Recruitment Practices, Work Life Balance Practices, and Performance Related Pay Practices.

5.5 Recommendations for Further Studies

On the recommendations for further studies, it is noted that the researchable aspects of the concept of strategic human resource innovation practices have not been exhausted in this work. Therefore suggestion is being put forward for further research into the concept of human resource innovation practices in the area of problems that limit or jeopardize the practice of human resource innovation practices in Kenya.

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APPENDICES

Appendix 1: Questionnaire

The questionnaire below seeks to establish the influence of strategic human resource innovation practices on employee performance at National Hospital Insurance Fund. It is divided into sections; Section 1 containing bio data and Section II,III,IV, V and VI structured to establish the objectives of the study.

SECTION 1: BIO DATA

1. Gender of the respondent. Indicate (tick) appropriately.

Male

Female

2. Age bracket in years.

18-25

26-35

36-45

46-51

3. What is your highest level of Education?

Diploma

Degree

Masters' degree and above

4. What is your current job title?

.....

5. How long have you worked for the company (firm)?

1-2 years

3-7 years

Over 8 years

SECTION II: TELECOMMUTING PRACTICES

The following statements relate to telecommuting practices as a strategic human resource innovation practices on employee performance at National Hospital Insurance Fund. Using the key (**Where: Strongly Agree-5; Agree-4; Neutral-3; Disagree-2; Strongly disagree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization.

Statements on Telecommuting practices	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
6. Employees are better off working remotely rather than in office setup					
7. Employees are expected to work for the agreed hours without fail					
8. Expansion of broadband internet services to employee's home decreases job stress					
9. Employee level of eligibility should be put into consideration so as to motivate employees					
10. Deploying successful telecommuting program requires substantial planning and technical support					

SECTION III: ONLINE RECRUITMENT PRACTICES

The following statements relate to online recruitment practices as strategic human resource innovative practice (**Where: Strongly Agree-5; Agree-4; Neutral-3; Disagree-2; Strongly Agree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization

Statements on Online recruitment practices	Strongly Agree	Agree	Neutral	Disagree	Strongly Agree
11. Internet recruitment has become a key medium for recruiting employees through advanced technology					
12. Measures should be put in place to ensure that the recruitment team cultivates culture in the workplace					
13. Online recruitment policy should be adopted and implemented					
14. Proper planning is required for effective use of online recruitment					
15. High rate of unemployment makes the process of online recruitment to be efficient					

SECTION IV: WORK- LIFE BALANCE PRACTICES

The following statements relate to work-life balance aspects as strategic human resource innovation practice. (**Where: Strongly Agree-5; Agree-4; Neutral-3; Agree-2; Strongly Disagree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization.

Statements on work life balance practices	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
16. Flexible working arrangements are essential at the workplace					
17. Employees benefit from leave policy adopted					
18. Work-life balance practices help meet job demands					
19. Employers and employees work together to place arrangements					
20. Mobile technology is a tool used by employees working at home					

SECTION V: PERFORMANCE RELATED PAY PRACTICES

The following statements relate to performance related pay practices as strategic human resource innovation practice. (Where: **Strongly Agree-5; Agree-4; Neutral-3; Disagree-2; Strongly Disagree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization.

Statements on Performance related pay practices on employee performance	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
21. Financial remuneration is an attribute that can be used to measure employee's job satisfaction					
22. Employees' efficiency can be determined if the targets are achieved through the performance appraisals					
23. Having the right type of reward program will help workers to grow and add value to the workplace					
24. It is important for a firm to evaluate their developmental potential on a consistent schedule					
25. Employees should have skills that match the requirements of a firm					

SECTION VI: NHIF ACT (2016)

The following statements relate to NHIF ACT (2016) and its influence on strategic human resource innovation practice. (**Where: Strongly Agree-5; Agree-4; Neutral-3; Disagree-2; Strongly Disagree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization.

Statements on NHIF ACT (2016)	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
26. The NHIF Act (2016) has led to increase in employees' job satisfaction					
27. The NHIF Act (2016) has facilitated increase in Employees' efficiency					
28. The NHIF Act (2016)has increased value in the workplace					
29. The NHIF Act (2016)has led to increase in program developments					
30. The NHIF Act (2016)has enabled employees improve on innovations					

SECTION VII: EMPLOYEE PERFORMANCE

The following statements relate to employee performance at National Hospital Insurance Fund. Using the key (**Where: Strongly Agree-5; Agree-4; Neutral-3; Disagree-2; Strongly Disagree-1**), tick as appropriate the extent to which you agree with the statements in relation to your organization.

Statements on employee performance	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
31. Quality, quantity, timeliness and cost effectiveness are important determinants pertaining employee performance					
32. It is necessary for an employee to accomplish given work element by a certain time limit					
33. Management should demonstrate that performance is critical to organizational and individual success					
34. Flexible plans should be developed to allow for changes in program goals to keep the process of employee performance credible					

35. Measurement in terms of percent (%) should be used for rating of employee performance					
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