



REWARD STRATEGIES AND PERFORMANCE OF EMPLOYEES IN PUBLIC DISPENSARIES IN NAIROBI CITY COUNTY, KENYA

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ABSTRACT

This study looked at the influence of reward strategies on performance of employees in public hospitals in Nairobi County, Kenya. The study was anchored on, Expectancy Theory, Equity Theory, Maslow's Hierarchy of Needs Theory and Herzberg's Two Factor Theory. This study adopted a descriptive research design. The study population will consist of all the employees in Nairobi City County and was drawn from public dispensaries within this geographic location totalling 1215. Data was collected using a questionnaire that consisted of both closed and open ended questions. Data collection instrument was analysed for validity and reliability. Data consisted of qualitative and quantitative data, quantitative data was analysed by use descriptive and inferential statistics, descriptive statistics included, mean, mode and median while inferential statistics were regression and correlations. Qualitative data was analysed using content analysis. Results were presented in graphs and tables. The study found that salaries, incentives, employee recognition and career advancement had a positive significant effect on employee performance at public dispensaries in Nairobi City County, Kenya. The study concluded that many workers see earning a salary as a benefit that indicates a greater sense of prestige, compared to earning an hourly wage. Incentives are a great way to encourage employee productivity and boost their morale and enable them to complete more work in less time, employee recognition is used by organizations to express appreciation, motivate employees, and reinforce desired behaviour and career advancement fosters better communication between the employee and the manager as well as at all levels of the organization and leads to job enrichment and enhanced job satisfaction. The study recommends that the public dispensaries should be transparent about their budget by disclosing that information in a one-on-one meeting with the employee in question. An organization should start an employee recognition program through celebrating employee's milestones and achievements publicly with a formal recognition program. The organizations should ask employees and management to nominate/vote for the employee of the month to make employees appreciate the recognition that they receive and realise that their daily performances are being noticed.

Key Words: Salaries, Incentives, Employee Recognition, Career Advancement

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INTRODUCTION

Employee performance is mainly about encouraging productive discretionary behaviour with an aim to realizing human capital advantage. People are the most significant source of competitive advantage, as opposed to other forms of competitive advantage occasioning from improving factors such as design or process, the people factor is very difficult to imitate or replicate, making it so cherished to organizations. Every manager, no matter what his or her role, knows that exceptional employee performance is critical in today's world (Ripley, 2018).

According to Kovach, (2017), effective and highly productive business can be realized by motivating employees through having affective reward strategies geared towards improving performance. There are a variety of factors that influence employee's performance. Identifying these factors can help improve recruitment, retention and organizational results. All employees are not equal in their working and they have different modes of working like some have highest capability regardless of the incentive but other may require occasional jump-start. If reward strategies are handled effectively, the result can be greater productivity and increased employee performance.

According to Sajuyigbe, Bosedé, and Adeyemi (2013), the rewards that a firm implement to individual & team performance are important in deciding how affective reward strategy will be. Consequently, reward management is one of the strategies used by Human Resource executives for attracting and retaining suitable workers as well as facilitating them to improve their performance through motivation and to comply with employment law and regulation. Because of these pressures, HR managers seek to design reward structures that facilitate the organizations strategic goals and the goals of individual employees. Reward systems are, therefore, very crucial for an organization.

The global platform currently is become dynamic with ever growing demands on the firms, and thus

embracing reward management practices that augment competitiveness, profitability and employee satisfaction is not a thought that organizations can ignore, (Ndung'u & Kwasira, 2016). In Asia organizations are realizing that employee's demographics such as age, gender, marital status has little significance on their performance but factors like pay, bonus, fringe benefits, recognition, promotion, empowerment have a huge significant on their performance (Gohari, Ahmadloo, Boroujeni, & Hosseinipour, 2013).

In Sweden organizations are moving from the traditional based reward structure that just encompassed salary and are embracing total rewards that are inclusive of both extrinsic and intrinsic rewards which the current crop of employees prefer (Murphy, 2015). According to Stephens, (2015), focus should be on building an open and up to date reward structure that is connected to the organization culture and design. An effective reward strategy should help an organization to not only fulfil its objectives but also meet its obligations to stakeholders.

In Pakistan, a firms in the transport sector have indicated that a strong relationship between intrinsic and extrinsic rewards on employee performance. The main goal of rewards whether they are intrinsic or extrinsic is to provide positive outcomes to assist desired performance (Khan, Waqas, & Muneer, 2017).

In Nigeria, most firms indicate that although employees enjoy financial rewards, work environment also needed to be investigated. Recommendations were made that organizations should increase rewards to all cadre of staff in order to enhance optimal performance. It is imperative that the reward management system is fair and transparent to employees of all cadres (Achie & Kurah, 2016).

In Kenya correct mix of reward management strategies such as financial rewards, developmental rewards, social rewards and intrinsic rewards are

yet to be studied widely and their impact on employee performance also not conclusive. It is not clear yet whether when an employee is well rewarded their output will lead to optimal performance (Shields, 2016).

There are both public (government) and private level five hospitals in Nairobi, Kenya. The level five public hospitals are gazetted through Chief Health Association of Kenya (CHAO) in the Medical Services' Ministry. They are owned by the Ministry of Health (Godia, *et al*, 2013) Levels four and five private hospitals are registered under the national body; Kenya Medical Practitioners and Dentists Board (KMPDB). They are institutions which are not owned by the Ministry of Health but by other bodies such as Kenya Episcopal Conference-Catholic Secretariat (KEC), Christian Health Association of Kenya (CHAK), Supreme Council of Muslims (SUPKEM) and the community. Some of these level five private hospitals are owned by a group of professionals, families as well as by individuals. According to KMPDB the level five private hospitals must meet the following criteria; A minimum of one theatre, Outpatient and inpatient services, a minimum of four separate departments, Minimum 50 inpatient beds, Minimum of basic X-ray services, Resident medical officer, they must be licensed (by KMPDB) Hospital (Echoka, 2013). Even though levels four and five private hospitals offer all medical services at international standards, they face a challenge of low patient numbers due to the fact that their costs of services are always inflated even though they have maintained better service provision and modern health facilities than the equivalent public hospitals. The top management team of levels four and five hospitals is composed of a team that ordinarily made up of persons from different backgrounds.

Statement of the Problem

According to a report by Kenya Institute for Public Policy Research and Analysis (2021) most of the devolved units have continued to face numerous challenges in enhancing the provision of health services across the country. Muchomba (2022)

further indicates that various changes in the management of county health institutions has greatly affected the quality of healthcare provision across the country. Further, delays in coordinating with the stakeholders and institution organization-centered changes have resulted in poor service delivery (Maina, 2021).

Public sector dispensaries in Kenya continue to be systematic candidates of constant employee unrests and unsatisfactory performance. Apprehensions over pitiable remuneration and incentives are singled out as among key contextual influences to health worker motivation for public hospitals in Kenya (Mbindyo, Gilson, Blaauw and English, 2019), There has been constant employee unrests at public hospitals in Nairobi City County with disagreements revolving around the reward systems and lack of dialogue in place amidst declining employee performance concerns (County Government of Nyeri, 2018). Theoretical perspectives have outlined that the structure of employee reward systems has a ramification on their individual and collective performance (Dartey-Baah & Amoako, 2011). Nevertheless, while studies have been done on the influence of total reward system on employee performance, a lot of issues remain unresolved. A review of past empirical literature brings forth a number of gaps which are largely contextual, empirical, methodological and conceptual in nature.

Various studies have been conducted examining the factors influencing the quality of health services provision in Kenya. Notably, Nyongesa, Ombaka, and Onyango (2015) pointed to a lack of personnel involvement, poor recruitment, and lack of supportive culture as impediments to quality healthcare provision. Stephen and Bula (2017) found out that human resource practices (recruitment, training, compensation, and performance management practices) positively influenced healthcare service delivery in Kenyan referral hospitals. The studies above highlight that the provision of quality care services are dire within public hospitals in Kenya. The empirical evidence

presented has focussed on various challenges to the provision of quality services; however, the studies have not comprehensively identified how organizational factors influence healthcare service delivery. The current study sought to enhance the available research evidence and incorporate variables not captured in previous research work in identifying how reward strategies influence performance of employees in the in public dispensaries within Nairobi City County.

Objectives of the Study

The general objective was to examine the effects of reward strategies on performance of employees in public dispensaries in Nairobi City County, Kenya. The study was guided by the following specific objectives.

- To determine the effect of salaries on employee performance at public dispensaries in Nairobi City County, Kenya.
- To assess the effect of incentives on employee performance at public dispensaries in Nairobi City County, Kenya.
- To determine the effect of employee recognition on employee performance at public dispensaries in Nairobi City County, Kenya.
- To assess the effect of career advancement on employee performance at public dispensaries in Nairobi City County, Kenya

Research Questions

The study sought to answer the following research questions

- Do salaries influence the employee performance at public dispensaries in Nairobi City County, Kenya?
- How do incentives affect employee performance at public dispensaries in Nairobi City County, Kenya?
- What is the effect of employee recognition on employee performance at public dispensaries in Nairobi City County, Kenya?
- Does career advancement influence employee performance at public dispensaries in Nairobi City County, Kenya?

LITERATURE REVIEW

Theoretical Review

Expectancy Theory

The concept of expectancy was originally contained in the Valency-Instrumentality-Expectancy (VIE) theory, which was formulated by Vroom (1994). Valency stands for value, Instrumentality is the belief that if we do one thing it will lead to another and Expectancy is the probability that action or effort will lead to an outcome. Motivation is only likely when a clearly perceived and usable relationship exists between performances and outcome and the outcome is seen as a means of satisfying needs. This theory was developed by Porter and Lawler (1968) into a model which follows Vroom's ideas by suggestion that there are two factors determining the effort people put into their jobs.

According to Miner (2015), expectancy is essentially the extent to which the individual perceives that by acting or carrying themselves in a particular manner will result in a certain desired outcome. The degree to which an individual perceives effective performance leads to the desired reward is defined as instrumentality. Valence on the other hand concerns the strength that offering attractive rewards will boost productivity among staff besides motivating them. In other words, valence represents the strength of an employee's preference for a given outcome or reward (Barron & Hulleman, 2015).

As viewed by Flake *et al.* (2015), rewards may fall into two broad classes; intrinsic and extrinsic rewards. Intrinsic rewards are acquired from meeting high level needs of an individual employee like self-esteem and growth from a personal perspective. For the study at hand, the intrinsic rewards would include career advancement and employee recognition. On the other hand, extrinsic rewards are provided by organization and are not within the control of the individual (Miner, 2015). For the current study, the extrinsic rewards under evaluation include salary and incentives.

Equity Theory

The Equity Theory was proposed by Adams and Freedman (1976) the theory centres on establishing the extent to which resources are distributed fairly to both relational parties. From an organizational perspective, this school of thought proposes that staff always compare their benefits from an organization as a result of their employment relationship for their services and their inputs. They compare their input-output ratio to that of their peers which in the end leads to satisfaction or dissatisfaction (Griffin & Moorhead, 2011). Relevant others are essentially staff holding similar positions or job category in an organization and bearing the same qualification or professional training. There may also be implemented necessary systems on remuneration with details of how it is executed for optimal employee satisfaction. As such, in situations where an employee perceived their ratio as equitable compared to their peers in other organizations, they will be encouraged and motivated to deliver best results to the organization (Johnson *et al.*, 2018).

According to Kanfer *et al.* (2017), if there is perceived inequity in an organization, the school of thought assumes that employees are likely to distort outcomes or carry themselves around in a way to influence others change their inputs and outcomes to align to theirs. The employee might also choose a different metric of doing comparison between persons or simply terminate their services to an organization. This school of thought helps explain how absolute and relative rewards influence employees' decision to continue working hard to attain organizational objectives or terminate their service offering. Every moment that employee's sense any degree of inequity, they will act in any way possible to correct the situation (Griffin & Moorhead, 2011).

Maslow's Hierarchy of Needs Theory

The Maslow's Hierarchy of Needs Theory was proposed by Abraham Maslow in 1943. In motivation and reward theories, Maslow's Hierarchy of Needs Theory is the best known cited

theory. In the theory Maslow claims that for every human being, a hierarchy of five needs exists (Maslow, 2013). These five need categories include lower order and higher order needs. The lower order needs are physiological needs and safety needs. On the other hand, higher order needs include the social needs, self-actualization needs, and esteem needs. In the context of rewards, needs entails internal states that make certain outcomes appear attractive? For example, money in Maslow's theory would essentially satisfy lower needs and motivate employees to work harder aiming at higher needs. In most cases, employees fight for money as a security need, provision of clothing, food, and shelter while on the other hand, money could act as a self-esteem need capable of giving the individual a sense of self-worth (Maslow, 2013).

It is instructive for managers to understand that as each of the employee's need is substantially satisfied, another need becomes dominant. Therefore, at no time will every need be fully gratified as well as no substantially satisfied need motivates (Maslow, 2013). In motivating employees, it is highly recommended that the manager understands the employee's position in the hierarchy and focusing on rewarding the employees by satisfying needs at that level or a level immediately above the employee's level. This theory has an intuitive logic as well as it is easy to understand. Despite its intuitive logic, this theory is rarely validated by research since it lacks empirical substantiation (Maslow, 2013).

Herzberg's Two Factor Theory

The theory was modelled by Herzberg (1966) and underpins extrinsic and intrinsic factors of motivation. The factors are also known as hygiene and motivator factors respectively. Extrinsic factors (hygiene factors) comprises of all tangible outcomes and things in relation to an employee's physical well-being. The factors represent the relationship of employees with their job environment. The factors include salaries together with the benefits, existing policies in an organization, supervision quality, level of security of tenure, safety of the work

environment, administrative practices, and general work environment condition (Johnson *et al.*, 2018).

These factors may not result in motivation though their absence there could be some dissatisfaction among employees. On the other hand, intrinsic commonly referred to as motivator factors are made up of all intangible outcomes like achievements, need to give recognition of outstanding performance, ability to assume responsibility, growth, and interest in the job an employee is employed to do (Sanjeev & Surya, 2016). The theory holds that only intrinsic factors motivate. The motivator factors relate to the desire possessed by employees to see growth in his or her job. This in turn affects the employee's level of motivation in their job. This school of thought prescribes a two-step process in which organizations can adopt to motivate their employees. The first step is to eliminate dissatisfaction among them by developing sound non primitive company policies, having competent and qualified technical supervisors with ability to ensure employees do not work under too much pressure but in an ease environment. This also involves ensuring that salaries and other wages are competitive, fair and adequate, ensure the working environment for staff is comfortable, and employees work for reasonable hours (Johnson *et al.*, 2018).

The second step entails motivating the employees by allowing them to deliver on difficult targets with minimal interference, appreciating and rewarding good performance among staff, offering credits where necessary besides giving them authority to handle their responsibilities (Alshmemri, Shahwan-Akl, & Maude, 2017). The process of motivating employees further involves provision of a clear career path especially those performing their duties excellently. It also involves proper designing of jobs in an organization such that they are interesting and involving at the same time. The jobs also need to be more educative in nature such that they grow the knowledge and skills competency among staff.

Empirical Literature Review

Salaries and Employee Performance

Gati & Atambo (2017) conducted a study on effects of salaries on employee performance in a public organization a case of Migori county in Kenya. The study adopted descriptive case study research design. A sample of 734 respondents selected using stratified random sampling technique was used. The study sought to establish whether the county government use salaries to motivate employee in the quest to provide public services. The findings of the study were that salaries impacted in an organization positively and significantly influences the performance of its employee. The study recommended that organizations to adopt good salary schemes for improving employee performance.

Agwu (2013) conducted a study on impact of salaries on employees' job performance in Nigerian Agip Oil Company Limited Port Harcourt. A sample of 396 respondents was selected using stratified random sampling method for the purpose of questionnaire administration. The result of the study indicated that implementation of fair salaries in Nigeria Agip oil company Limited Port-Harcourt to a large extent influenced improved employees' job performance and reduced rate of industrial action.

Roberts (2005) in a study of the relationship between salaries, recognition and motivation of 1373 employees of an insurance company in the Western Cape found out that there was a positive relationship between salaries, recognition and motivation. She concluded that organizations should review their current salary strategies in order to ensure higher employee motivation and increased job performance. The study also revealed that women, and employees from non-white racial background experienced low levels of salaries, recognition and motivation. She proposed for further studies on different factors that motivate employees. The sample size was 184 and descriptive research design was adopted.

Incentives and Employee Performance

Ngata (2014) carried out a study on the influence of Incentives on employee performance. This study was expected to establish how Incentives could be used to improve employee performance. The study was done by assessing the influence of employee independence and flexible schedules on employee performance in Murang'a Water and Sanitation Company, Murang'a County. The target population of this study was all the 87 employees working at Murang'a Water and Sanitation Company. This study found out that there was a strong relationship between employee independence and performance. This study concluded that incentives have a significant impact on employee's satisfaction and productivity and recommended that the management in organizations minimize its emphasis on monetary rewards, to capitalize on non-monetary rewards to boost employee performance and hence organizational performance.

Mikander (2016) conducted a study on the impact of incentives on employee motivation in Motonet-Espoo. The purpose of the study was to investigate and analyse how well the current incentive system of Motonet-Espoo helped to generate employee work motivation. The study employed a descriptive research design. The finding of the study was that a well-developed and functional incentive system can increase employee motivation and satisfaction. The study concluded that incentives intrinsically motivates employees and is related to their feelings.

San & Thee (2012) conducted a study on incentives and performance measurement. The purpose of the study was to explore the contribution of incentives in supplementing financial performance of an organization. The findings of the study showed that incentives lead to increase in both financial and non-financial performance which will also enhance companies' reputation as well as increase the recruitment possibility where more manpower will make a stronger team. Effective incentive mechanism will shift from fulfilling employees' basic

requirement to self-actualization as they are growing with the business.

Employee Recognition and Employee Performance

Kaufman, Chapman and Allen (2013) studied the effect of recognition on the level of engagement and innovation among staff and their effect on organizational performance. Results posted that recognition of efforts made by staff in executing their duties gives them greater desire and determination to work harder. They will also be more willing to build better working relationships build better personal character and stronger connections and attachment to their organization. Additionally, strongly recognized staffs stand a higher chance of being innovative and efficient. It was demonstrated that recognition enhanced performance of employees more than salary and bonuses did.

Ndungu (2017) studied the extent that rewards and recognition affect performance outcomes among employees at Kenyatta University (KU), Kenya. The study targeted staff working at KU. The study used a descriptive design. Sampling was done using stratified random sampling and purposive sampling techniques. Results indicated that employee recognition influences employee performance. Empirical gaps exist on need to address other dimensions of total reward system besides recognition.

Bradler, Dur, Neckermann and None (2016) empirically examined how recognition of efforts made by staff in their chores affected their performance. Results indicated that recognition improved subsequent employee performance. Performance improvement was more when recognition was exclusively provided to the best performers. Interestingly, workers who failed to receive recognition recorded highest improvement in subsequent performance. Methodological gaps have been identified hence the need to adopt new research designs other than experimental design and analyze performance over a sizeable period of time.

Career Advancement and Employee Performance

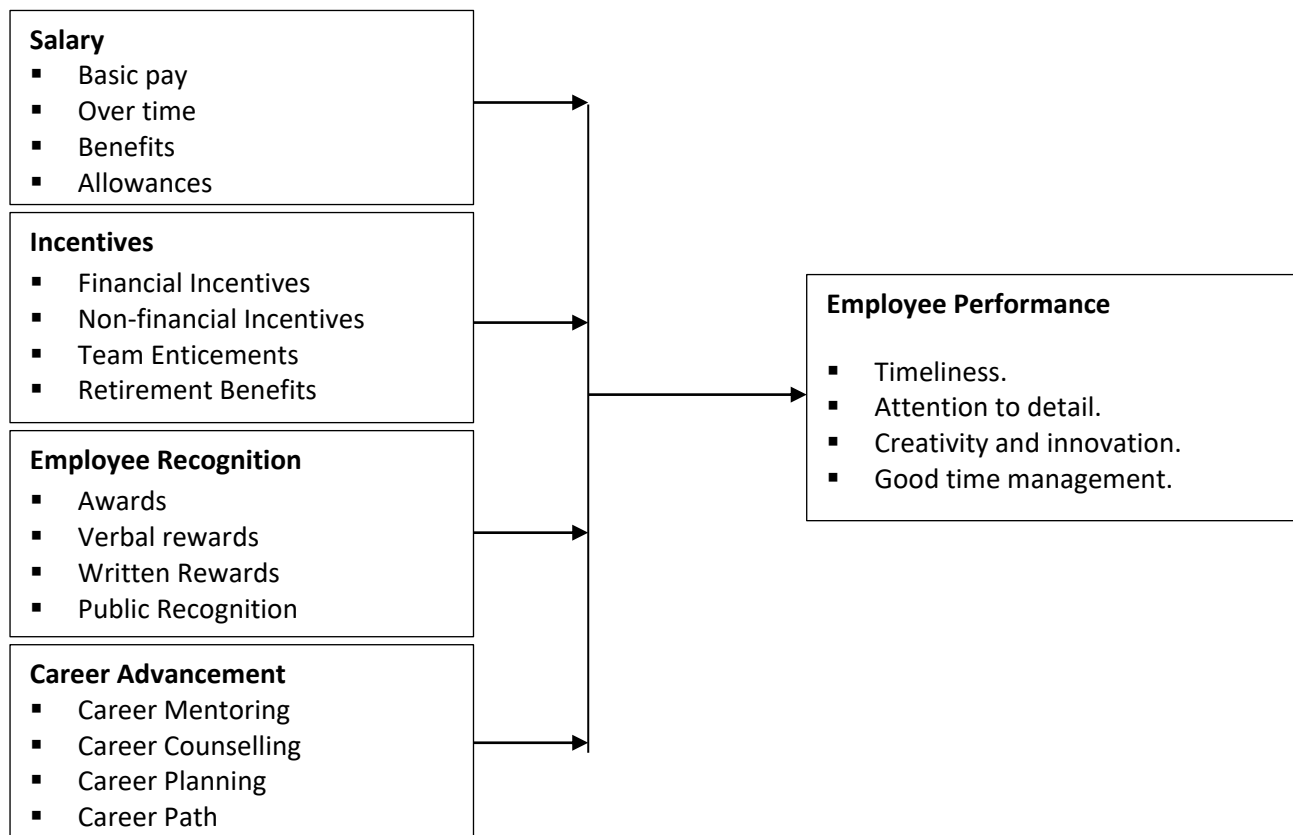
Napitupulu, Haryono, Laksmi Riani, Sawitri, and Harsono (2017) focused on career advancement and performance outcomes recorded by employees in the Indonesian public sector. With a targeted population of 15 regional branches of Indonesia finance ministry, it was established that career development bore no direct influence on employee performance. The study reveals empirical gaps in that theorists such as Herzberg (1959) classified career advancement as among the motivator factors that would influence employee performance. The prospects of brighter career in the future motivate employees to put in more efforts for better performance. They know that through registration of better performance, nice goodies will be on their way.

Diriye (2016) studied how perceived career advancement affected the level of commitment and

engagement among employees using the case of County Government of Nairobi. Through descriptive design on a target population of 443 employees, primary data was collected and analyzed. Results indicated that career has an impact on the level of commitment and engagement among staff. Methodological gaps emerge on need to consider an expanded range of indicators of employee performance.

Dialoke and Nkechi (2017) analyzed how career growth affected performance among staff in higher learning institution in Nigeria. Through a descriptive design won a population of 2630 employees appropriate data was gathered and analyzed. Results showed that career advancement contributed immensely to performance outcomes among staff.

Conceptual Framework



Independent Variable

Dependent Variable

Figure 1: Conceptual Framework

METHODOLOGY

This study adopted a descriptive research design. The study population consisted of all the employees in Nairobi City County and was drawn from public dispensaries within this geographic location totalling 1215. The sample size was 300 respondents who were randomly from the 81 dispensaries in Nairobi City County. Questionnaires were used as the main data collection instruments in the study. This study used reliability tests to determine the internal consistency of each question. The researcher sought an authorization letter to collect data from Kenyatta University graduate school. This study utilized both quantitative and qualitative data. Quantitative data was analyzed by use of descriptive and inferential

statistics. Qualitative data collected was analyzed using content analysis.

FINDINGS

Results of Descriptive Statistics

Descriptive statistics included Mean (M) and Standard Deviation (SD) generated using Statistical Package for Social Sciences (SPSS) were used to present the results of the quantitative data. The results are presented in the section that follow;

Salaries

The study sought to determine the effect of salaries on employee performance at public dispensaries in Nairobi City County, Kenya. Table 1: presents the descriptive results.

Table 1: Salaries

Statement	M	SD
All employees receive fair basic salaries in our hospital	3.98	1.02
Our basic salaries are based on market rate analysis	4.05	0.95
There exists overtime pay for employees who work beyond normal schedule	4.50	0.50
Job related allowances are paid to facilitate staff perform their duties efficiently	4.14	0.86
There is a policy on payment of benefits in the organization.	4.61	0.39
Our compensation is competitively paid	4.26	0.74
Employees are given sick pay allowance	4.62	0.38
Employees are paid extra for the special clothes	4.53	0.47

Source: Survey Data (2023)

The results presented in Table 1: show that the respondents strongly agreed that employees are given sick pay allowance, there is a policy on payment of benefits in the organization, employees are paid extra for the special clothes and there exists overtime pay for employees who work beyond normal schedule as shown by mean score of 4.62, 4.61, 4.53 and 4.50 respectively and standard deviation of 0.38, 0.39, 0.47 and 0.50 respectively. The finding agrees with Gati and Atambo (2017) who conducted a study on effects of salaries on employee performance in a public organization a case of Migori county in Kenya and the findings of the study were that salaries impacted in an

organization positively and significantly influences the performance of its employee.

The respondents agreed that their compensation is competitively paid, job related allowances are paid to facilitate staff perform their duties efficiently, their basic salaries are based on market rate analysis and all employees receive fair basic salaries in our hospital as shown by mean score of 4.26, 4.14, 4.05 and 3.98 respectively and standard deviation of 0.38, 0.39, 0.47 and 0.50 respectively.

Incentives

The study sought to assess the effect of incentives on employee performance at public dispensaries in Nairobi City County, Kenya. Table 2: presents the descriptive results.

Table 2: Incentives

Statement	M	SD
The organization has financial incentives	4.52	0.48
The organization offer non-financial incentives	4.63	0.37
Incentives for individuals are available	3.88	1.12
Group incentives are available	3.76	1.54
Employees are offered retirement benefits	4.56	0.44
The hospital has an established structure to provide team enticements to workforce to promote teamwork	4.59	0.81
The hospital has a developed incentives schemes that is perceived to be fair and equitable by all.	4.50	0.50
The hospital offer varied incentives	4.57	0.43

Source: Survey Data (2023)

The results presented in Table 2: show that the respondents strongly agreed that the organization offer non-financial incentives, the hospital offer varied incentives, the organization has financial incentives, employees are offered retirement benefits and the hospital has an established structure to provide team enticements to workforce to promote teamwork as shown by mean score of 4.63, 4.59, 4.57, 4.56, 4.52 and 4.50 respectively and standard deviation of 0.37, 0.81, 0.43, 0.44 and 0.48 respectively. The finding agrees with Ngata (2014) who carried out a study on the influence of Incentives on employee performance and this study found out that there was a strong relationship between employee independence and performance.

The respondents agreed on the statements that incentives for individuals are available and group incentives are available as shown by mean score of 3.88 and 3.76 respectively and standard deviation of 1.12 and 1.54 respectively. The finding agrees with Mikander (2016) who conducted a study on the impact of incentives on employee motivation in Motonet-Espoo and the finding of the study was that a well-developed and functional incentive system can increase employee motivation and satisfaction.

Employee Recognition

The study sought to determine the effect of employee recognition on employee performance at public dispensaries in Nairobi City County, Kenya. Table 3: presents the descriptive results.

Table 3: Employee Recognition

Statement	M	SD
There is a policy on employee recognition	4.26	1.74
Our management formally recognizes employee efforts	3.85	1.15
There are awards for best performing employees	4.68	0.32
Management verbally appreciate best performing employees	4.59	0.41
Management acknowledges best performing employees in writing	4.13	0.87
Best performing employees are recognized publicly	4.10	0.90
The recognition given is adequate	4.51	0.49
The recognition given is varied from one year to another	4.67	0.33
Employee recognition is carried out on regular basis	4.55	0.45

Source: Survey Data (2023)

The results presented in Table 3: show that the respondents strongly agreed that there are awards for best performing employees, the recognition

given is varied from one year to another, management verbally appreciate best performing employees, employee recognition is carried out on

regular basis and the recognition given is adequate as shown by mean score of 4.68, 4.67, 4.59, 4.55 and 4.51 respectively and standard deviation of 0.32, 0.33, 0.41 and 0.49 respectively. The finding is in line with Kaufman, Chapman and Allen (2013) who studied the effect of recognition on the level of engagement and innovation among staff and their effect on organizational performance and the results posted that recognition of efforts made by staff in executing their duties gives them greater desire and determination to work harder.

The respondents agreed with the statements that management acknowledges best performing employees in writing, there is a policy on employee recognition, their management formally recognizes

employee efforts and that best performing employees are recognized publicly as shown by mean score of 4.26, 4.13, 4.10 and 3.85 respectively. The finding is in line with Bradler, Dur, Neckermann and None (2016) who empirically examined how recognition of efforts made by staff in their chores affected their performance. Results indicated that recognition improved subsequent employee performance.

Career Advancement

The study sought to determine the effect of career advancement on employee performance at public dispensaries in Nairobi City County, Kenya. Table 4: presents the descriptive results.

Table 4: Career Advancement

Statement	M	SD
Employees are advised on career choices	4.54	0.46
The career advancement paths are clear to all employees	4.85	0.15
Mentorship programs are available to employees	3.95	1.05
Outstanding employees are promoted to the next grade	4.71	0.29
Regular training is conducted to those who are to be promoted	4.03	0.97
Promotion is merit based	4.42	0.58
The hospital offers employees career advancement to stimulate their work productivity	4.54	0.46
The retirement system makes me feel safe and ensured	4.62	0.38

Source: Survey Data (2023)

The results presented in Table 4: show that the respondents strongly agreed that the career advancement paths are clear to all employees, outstanding employees are promoted to the next grade, the retirement system makes me feel safe and ensured, the hospital offers employees career advancement to stimulate their work productivity and the career advancement paths are clear to all employees as shown by mean score of 4.85, 4.71, 4.62 and 4.54 respectively and standard deviation of 0.15, 0.29, 0.38 and 0.46 respectively. The finding is supported by Napitupulu, Haryono, Laksmi Riani, Sawitri, and Harsono (2017) study which focused on career advancement and performance outcomes recorded by employees in the Indonesian public sector and established that career development bore no direct influence on employee performance.

The respondents agreed on the statements that promotion is merit based, regular training is conducted to those who are to be promoted and mentorship programs are available to employees as shown by mean score of 4.42, 4.03 and 3.95 respectively. The finding is supported by Diriye (2016) who studied how perceived career advancement affected the level of commitment and engagement among employees using the case of County Government of Nairobi and results indicated that career has an impact on the level of commitment and engagement among staff.

Employee Performance

The study sought to determine the employee performance at public dispensaries in Nairobi City County, Kenya. Table 5: presents the descriptive results.

Table 5: Employee Performance

Statement	M	SD
I am always timely in carrying out my duties	4.10	0.90
I give attention to details when carrying out my duties	4.05	0.95
I stay up to date on industry trends	4.30	0.70
I find inspiration to help innovate different areas of my team's work	4.15	0.85
I'm receptive to feedback	4.33	0.67
I can adapt to change quickly	4.01	3.95
I manage my time well when carrying out my duties	4.11	0.89
I work with minimum supervision	3.99	1.01

Source: Survey Data (2023)

The results presented in Table 5: show that the respondents agreed that they were always timely in carrying out their duties, they give attention to details when carrying out their duties, they stayed up to date on industry trends, they found inspiration to help innovate different areas of their team's work, they were receptive to feedback, they can adapt to change quickly, they manage their time well when carrying out their duties and they work with minimum supervision as shown by mean score of 4.10, 4.05, 4.30, 4.15, 4.33, 4.01, 4.11 and 3.99 and standard deviation of 0.90, 0.95, 0.70,

0.85, 0.67, 3.95, 0.89 and 1.01. Njuki and Moronge (2016) observe that organizations get their work accomplished through employees who perform assigned tasks for the achievement of their objectives and goals. The goals are usually achieved when employees are committed since this category of workers needs little or no supervision to accomplish the tasks assigned to them.

Results of Inferential Statistics

Inferential statistics were analysed based on correlation analysis and regression analysis and the results are presented as follows:

Table 5: Correlation Analysis

		Salaries	Incentives	Employee recognition	Career advancement	Employee performance
Salaries	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	290				
Incentives	Pearson Correlation	.638	1			
	Sig. (2-tailed)	.000				
	N	290	290			
Employee recognition	Pearson Correlation	.713	.687**	1		
	Sig. (2-tailed)	.000	.000			
	N	290	290	290		
Career advancement	Pearson Correlation	.563*	.668**	.247**	1	
	Sig. (2-tailed)	.001	.000	.007		
	N	290	290	290	290	
Employee performance	Pearson Correlation	.803**	.669**	.696**	.786**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	290	290	290	290	290

Source: Survey Data (2023)

The results in Table 5: show that salaries had a very strong correlation with employee performance with a Pearson's r value of 0.803. The Pearson's r for the correlation between incentives and employee performance was 0.669 which is close to 1 with a significant value of 0.00 which is less than 0.05. The Pearson's r for the correlation between employee recognition and employee performance was 0.696 with significance value of 0.00 less than 0.05.

Career advancement was found to have positive correlation between career advancement and employee performance with a Pearson's r value of 0.696 with a significance value of 0.00. This finding

agree with Dialoke and Nkechi (2017) who analyzed how career growth affected performance among staff in higher learning institution in Nigeria and the results showed that career advancement contributed immensely to performance outcomes among staff.

Regression Analysis

Regression analysis was done to estimate the relationship between dependent variable (employee performance) and Independent variables (salaries, incentives, employee recognition and career advancement). The results are presented in Table 6, 7 and 8.

Table 6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.948 ^a	.899	.898	.157

Source: Survey Data (2023)

From the results in Table 6, the independent variables that were studied, explain a factor of 0.898(89.8%) of employee performance at public dispensaries in Nairobi City County, Kenya as

represented by the adjusted R square. This therefore means that other factors not studied in this research contribute 10.2% of the employee performance.

Table 7: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	110.417	4	27.604	770.238	.000 ^a
	Residual	10.214	285	.0358		
	Total	120.631	289			

Source: Survey Data (2023)

From the results in Table 7, the study significance value was at 0.000^a showing that the model was significant as it was less than 0.05 and thus the model predicts how independent variables studied influenced the dependent variable. The results also

indicate that F calculated value is greater than the value of F tabulated (770.238 > 27.604) at 5% significance level confirming the model was significant.

Table 8: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.610	.942		3.831	.000
	Salaries	.680	.235	4.063	2.290	.003
	Incentives	.759	.312	1.218	1.926	.001
	Employee recognition	.621	.133	3.273	2.948	.002
	Career advancement	.596	.128	1.336	1.246	.000

Source: Survey Data (2023)

From the findings in Table 8, holding the independent variables constant, the dependent variable would be 0.610. In addition, incentives were found to have a greater influence on employee performance at 75.9% compared to other variables studied with salaries at 68.0%, employee recognition at 62.1% and lastly career advancement at 59.6%.

The established regression equation by the study was:

$$\text{Employee performance} = 0.610 + 0.680 (\text{salaries}) + 0.759 (\text{incentives}) + 0.621 (\text{employee recognition}) + 0.596 (\text{career advancement})$$

The study examined that salary had a positive and significant influence on employee performance at public dispensaries in Nairobi City County, Kenya as indicated by t-value ($t=2.290$, $P<0.05$). The study found that incentives had a positive and significant influence on employee performance at public dispensaries in Nairobi City County, Kenya as indicated by t-value ($t=1.926$, $P<0.05$).

The study revealed that employee recognition had a positive and significant influence on employee performance at public dispensaries in Nairobi City County, Kenya as indicated by t-value ($t=2.948$, $P<0.05$). The study established that career advancement had a positive and significant influence on employee performance at public dispensaries in Nairobi City County, Kenya as indicated by t-value ($t=1.246$, $P<0.05$). The finding is supported by Diriye (2016) who studied how perceived career advancement affected the level of commitment and engagement among employees using the case of County Government of Nairobi and results indicated that career has an impact on the level of commitment and engagement among staff.

SUMMARY

The general objective was to examine the effects of reward strategies on performance of employees in public dispensaries in Nairobi City County, Kenya. The study specifically sought to examine the effect

of salaries, incentives, employee recognition and career advancement on employee performance at public dispensaries in Nairobi City County, Kenya. Data was collected using questionnaires and analysed using descriptive analysis and inferential statistics. The following is the summary of findings;

The study sought to determine the effect of salaries on employee performance at public dispensaries in Nairobi City County, Kenya. The study found that salaries had a positive significant effect on employee performance at public dispensaries in Nairobi City County, Kenya. Employees are given sick pay allowance, there is a policy on payment of benefits in the organization, employees are paid extra for the special clothes, there exists overtime pay for employees who work beyond normal schedule, their compensation is competitively paid and job related allowances are paid to facilitate staff perform their duties efficiently.

The study sought to assess the effect of incentives on employee performance at public dispensaries in Nairobi City County, Kenya. The study found that incentives had a positive significant effect on employee performance at public dispensaries in Nairobi City County, Kenya. The organization offer non-financial incentives, the hospital offers varied incentives, the organization has financial incentives, employees are offered retirement benefits and the hospital has an established structure to provide team enticements to workforce to promote teamwork.

The study sought to determine the effect of employee recognition on employee performance at public dispensaries in Nairobi City County, Kenya. The study found that employee recognition had a positive significant effect on employee performance at public dispensaries in Nairobi City County, Kenya. There are awards for best performing employees, the recognition given is varied from one year to another, management verbally appreciate best performing employees, employee recognition is carried out on regular basis and the recognition given is adequate.

The study sought to determine the effect of career advancement on employee performance at public dispensaries in Nairobi City County, Kenya. The study found that career advancement had a positive significant effect on employee performance at public dispensaries in Nairobi City County, Kenya. The career advancement paths are clear to all employees, outstanding employees are promoted to the next grade, the retirement system makes me feel safe and ensured, the hospital offers employees career advancement to stimulate their work productivity and the career advancement paths are clear to all employees.

Conclusions of the Study

The study concludes that many workers see earning a salary as a benefit that indicates a greater sense of prestige, compared to earning an hourly wage. This intangible benefit can result in higher employee satisfaction. Salaried employees receive an equal portion of their annual compensation every week. Employees gain authority, prestige and responsibility. Healthy employees are more productive and efficient employees, so the investment in a higher wage can have positive improvements in employees' work.

The study concludes that incentives are a great way to encourage employee productivity. Incentive programs boost their morale and enable them to complete more work in less time, which is precisely what your company needs to increase profitability and achieve its goals. Offering incentives to the employees goes beyond just motivating them to do their work. It also encourages long-term retention. Employee incentive programs help to create a positive, encouraging, and collaborative environment where every team member is appreciated and valued.

The study concludes that employee recognition is used by organizations to express appreciation, motivate employees, and reinforce desired behavior. Celebrating a strong effort when employees go above and beyond. This helps them develop emotional connections to the workplace

that fuel future performance. When employees receive recognition for adopting a behavior aligned with company values, they are likely to continue that behavior and set a positive example for others.

The study concludes that career advancement fosters better communication between the employee and the manager as well as at all levels of the organization and leads to job enrichment and enhanced job satisfaction. Career advancements helps organization retain valued employees by providing them what they want. Since the organization is able to collect all necessary information about a specific individual, it can make efforts to retain them.

Recommendations of the Study

The study recommends that the public dispensaries should be transparent about their budget by disclosing that information in a one-on-one meeting with the employee in question. Offer regular bonus opportunities instead of base pay increases on the basis of bonuses on performance, experience or other factor. Gather information on what competitors are doing.

The study recommends that an organization should start an employee recognition program through celebrating employee's milestones and achievements publicly with a formal recognition program. Provide performance incentives to reward employees for consistently delivering high-quality work and meeting specific goals and targets. The incentive acknowledges the employee's contribution to the company and gives them the motivation to continue their hard work.

The study recommends that the organizations should ask employees and management to nominate/vote for the employee of the month to make employees appreciate the recognition that they receive and realise that their daily performances are being noticed. Reward the team or department that shows great achievement either through lunch with the management, shopping voucher or even movie tickets for them to enjoyed

together after work and bond on a personal level out of the workplace.

The study recommends that the organization should create a learning culture by incorporating learning and growth into core values and ensure they shine through in your people strategies and business decisions. Build employee career paths that will assist employees visualize their future with the company and shows them what they need to do to reach their career goals.

Suggestions for Further Studies

The study suggests that further studies should be done that focus on other reward strategies that have not been studied so as to address that gap of 10.2% that was found in the regression results to account for other variables not studied. The study further suggests that a different study on reward strategies and performance of employees should be done that focus on other organization apart from Public Dispensaries in Nairobi City County, Kenya.

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