Reward management and employee performance in National Hospital Insurance Fund, Kenya

Mutua, Roseline Mwendwa
http://erepository.uonbi.ac.ke:8080/handle/123456789/6145
Date: 2011

Abstract:

Performance improvement is a key concern of business organizations in Kenya and the world over. Employees form the main drivers of corporate performance. Corporate entities adopt employee performance reinforcement strategies to sustain and grow realized performance levels. Rewards constitute one of the key employee performance sustenance and growth strategies. Rewards are positive performance reinforcers and include financial and non-financial types. State corporations in Kenya have regulated reward systems guided by the public sector compensation regulations. The guidelines enable management in such institutions to creatively develop instruments and facilities to attract, retain and enhance performance of staff in these institutions. National Hospital Insurance Fund is one of the key state corporations in the Ministry of Medical Services in Kenya. The study aimed at determining the relationship between reward management and employee performance in National Health Insurance Fund. The case study design was adopted. The design was appropriate since the study involved an in-depth investigation of a single unit. The respondents were the heads of the departments in the institution. An interview guide was used to collect data from the respondents. Data was analyzed using content analysis. The findings were that the institution has a strategy for employee reward management spelt out in its strategic plan. The strategy aims at facilitating realization of Vision 2030 and complies with the public sector performance improvement strategy. The remuneration policies in the firm advocate for equal pay for equal work, non discrimination in rewards, internal and external equity in rewards, competitive reward structure, and performance based rewards. The firm has a comprehensive reward system for all staff in the firm, which includes performance contracting for all managerial positions. Rewards have a positive influence on employee performance in NHIF. Studies should be conducted with respondents being the employees in NHIF and other state corporations to determine the effect of rewards on employee performance.