# INFLUENCE OF EXTRINSIC MOTIVATION ON EMPLOYEE'S PERFORMANCE IN MOI TEACHING AND REFERRAL HOSPITAL ELDORET, KENYA

BY

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# DECLARATION

This research project is my original work and has not been presented in any other university or institution for academic recognition

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This project has been submitted for examination with my approval as University supervisor

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# DEDICATION

I would like to dedicate this research project to my family for their support and encouragement.

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# ABBREVIATION

MDGs – Millennium Development Goals

MTRH – Moi Teaching and Referral Hospital

HR-Human Resource

SPSS- Statistical Package of Social Sciences

# ABSTRACT

Employee extrinsic motivation in Kenya's health sector is one major issue that needs to be tackled in a manner that satisfies employees with their current employment and allows them to develop a loyalty towards the organizations they work for. There are numerous factors that influence employee motivation in such a dynamic environment. One important case is that of the health care sector, which has failed to keep its employee turnover rates low. High employee turnover comes as an unfruitful cost to the employers and it is important to deal with such a cost in order to remain competitive. It is for this reason that this study sought to investigate the influence of extrinsic motivation on employee's performance in Moi Teaching and Referral Hospital in Eldoret, Kenya. To achieve this, the study employed the following objectives to establish the influence of salary on employee performance in Moi Teaching and Referral Hospital, to determine the influence of staff promotion on employee performance in Moi Teaching and Referral Hospital, to establish the influence of training on employee performance in Moi Teaching and Referral Hospital and to examine the influence of working environment on employee performance in Moi Teaching and Referral Hospital. Maslow theory of need was employed in this research. The research design was a case study. The study focused on a number of departments in the organization for generalization of the employee work performance. Simple random sampling was used to select a sample 217 nurses from 500 nurses in MTRH. Purposive sampling technique was used in selecting institution and 28 Head of departments in the hospital. Structured questionnaires were used as data collection procedures. The data from the study were analyzed using SPSS VER 20.0. Descriptive statistics in form frequencies, percentages, and cross tabulation were used. The study findings revealed that majority of the respondents 83.83% (mean= 4.19) agreed that better pay motivates employees to work harder, 75.95% (mean= 3.90) agreed that good pay keeps employees focused, 77.88% (mean=3.89) agreed that Staff promotions motivates employees to stay with an Organization, 76.73% (mean= 3.84) agreed that Employee training shows an organization values its employee, while another 82.53% (mean= 4.13) agreed that Employee performance is high when employees are motivated. The study therefore concludes that is important however to continuously measure employee motivational levels to proactively anticipate areas of concern that might lead to a decline in the levels of motivation within the organisation, which could have an adverse effect on the profitability of the organisation due to reduction in overall productivity and performance. The study recommends that Management of MTRH need to ensure that staff salaries are reviewed annually to ensure that staff wages are market related and MTRH must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organization.

# CHAPTER ONE INTRODUCTION

# 1.1 Background of the Study

Researchers and managers have believed that organizational objectives and goals are unachievable without enduring commitment of members and employees of the organization. The worlds are going through an enormous change. Globalization of businesses is increasing and information technologies are advancing (Dockel, 2003). These major changes reshaping our significantly, for better and for worse (Keritner, 2004). They lead to changes in the way business is done, the way employees behave and the way managers manager their employees. For companies to remain successful, they are required to adapt to these changes (Vercueil, 2001). The changes that are reshaping the world have altered the way organizations operate and have also led to changes in employee characteristics (Robbins, 2000). When employees have high autonomy, receive feedback about their performance, and have an important, identifiable piece of work to do which requires skill variety, they may experience feelings of happiness and therefore intrinsic motivation to keep performing well (Hackmam & Oldham, 1980).

Frederick Herzberg, distinguished professor of Management at the University of Utah and Behavioral theorist conducted studies on worker motivation in the 1950's. He developed the Motivation-Hygiene theory of worker satisfaction and dissatisfaction. This incredible researcher concluded that hygiene factors such as salary, fringe benefits, and working conditions can prevent dissatisfaction, but they do not motivate the worker. He found that motivators such as achievement, recognition, responsibility, and advancement increase satisfaction from work and motivate people toward a greater effort and performance. Herzberg and other behavioral theorists were influenced by the writings of Abraham Maslow, a theoretical psychologist who analyzed what human beings seek in their lives and developed the Needs-Hierarchy concept.

Of the many theories of work motivation, Herzberg's (1966) motivator-hygiene theory has been one of the most influential in recent decades. Basically, the theory divides

motivating factors into two categories: Motivator factors, which have something to do with the work itself, and Hygiene factors, which have something to do with the surrounding context.

Motivator factors include such things as responsible work, independence in doing the work, and satisfaction arising from the completion of challenging tasks. Hygiene factors include pay, security, and general working conditions. According to Frederick Herzberg, hygiene factor operate primarily as de-motivators if they are not sufficient. He suggests that workers are most satisfied and most productive when their jobs are rich in the motivator factor. When the work is interesting, he suggests can be accomplished by the job enrichment

According to Greenberg (2003) and Baron (2000) definition of motivation could be divided into three main parts. The first part looks at arousal that deals with the drive, or energy behind individual (s) action. People turn to be guided by their interest in making a good impression on others, doing interesting work and being successful in what they do. The second part referring to the choice people make and the direction their behaviour takes. The last part deals with maintaining behaviour clearly defining how long people have to persist at attempting to meet their goals. Motivation can be intrinsic and extrinsic. Extrinsic motivation concerns behavior influenced by obtaining external rewards (Hitt, et al, 1992). Praise or positive feedback, money, and the absence of punishment are examples of extrinsic or external rewards (Deci, 1980).

On the global scale, extrinsic employee motivation is of great importance in the health sector so as to ensure staff retention as well as enhance the provision of quality services in that sector. The employee retention rate can indicate how well an organization or institution maintains employee satisfaction. A key constraint to achieving the MDGs is the absence of a properly trained and motivated workforce (Griffin, 2012). Loss of clinical staff from low and middle-income countries is crippling already fragile health care systems. Health worker extrinsic motivation is critical for health system performance and a key problem is how best to motivate and retain health workers. While motivational factors are undoubtedly country specific, financial incentives, career development and

management issues are core factors. Nevertheless, financial incentives alone are not enough to motivate health workers (Schermerhorn , 2010). It is clear that recognition is highly influential in health worker motivation and that adequate resources and appropriate infrastructure can improve morale significantly. While medical migration may be dire for some countries, others intentionally export health workers in exchange for financial remittances. For example, Filipino nurses are actively exported for which the Philippines receives over USD800 million annually (Hongoro, 2006). There is, however, no mechanism to ensure that repatriated income will find its way into health care. Furthermore the loss of experienced personnel has a serious impact on health system progression (Fargus, 2000).

Nigerian authors Gbadamosi and Adebakin, (1996) state that motivation is an aspect of the behavioural sciences that attempts to answer the question of why human beings behave the way they do. Ott, (1989) had concluded from his studies that achievement; recognition, the work itself, responsibility, advancement and growth are major satisfiers because of their positive influence. More recent studies have advanced on Herzberg's position. While there are studies to support Herzberg's list of satisfiers in his sequence, there are questions as to the position or order of these satisfiers.

Generally, an employee who is motivated will try harder to do a good job than one who is not motivated. The level of performance attained is determined by three interdependent factors; ability, motivation and resources. Ability and motivation are driving forces of behaviour to create the level of performance.

There is a growing need to strengthen health systems in East African countries to help meet the Millennium Development Goals (MDGs). It is widely accepted that a key constraint to achieving the MDGs is the absence of a properly trained and motivated workforce and improving the retention of health workers is critical for health system performance. East African countries such as Tanzania need at least half a million additional workers in order to offer basic services consistent with the MDGs (WHO, 2006). Instead, these countries are affected by health worker loss crippling already fragile health care systems. Nurse migration has been shown to be motivated by the need for professional development, better quality of life and personal safety. An estimated \$500 million is spent annually on medical education of workers from Africa who will eventually emigrate (WHO, 2006). Targeted recruitment drives for health workers from resource-poor countries have become a common solution to filling vacancies in richer countries. A medical carousel whereby health workers move to countries offering attractions such as better salaries and training opportunities typically leaves the poorest countries with all drain and no gain (Stilwell et al, 2003). Health worker loss can compromise health system capacity to deliver adequate care as the more experienced workers migrate because their skills are highly desired. Staff shortages increase workloads and stress levels, further de-motivating remaining staff. To cope with increased workload, staffs sometimes lower their standard of care (Mays, 2005). Health worker migration is not confined to external movement. In-country migration, from rural to urban and from public to private sector, is also creating problems with the rural areas worst affected leaving these both understaffed and the staff who are there are often under qualified (Greenhalgh et al, 2005).

The Kenya health sector has made remarkable strides in the provision of health services. There is however a wide gap in the health services between the private and the health sector. There is a huge preference of the services from the private institutions. It is estimated that 47% of the health services in Kenya is provided by the private sector whereas the public sector owns 33% and the rest by charity and non-governmental organizations (Kirigia, 2006). These statistics are however a point of concern when compared to the number of health professionals leaving the private institutions that provides health services. In Kenya alone, US\$65,997 is spent educating a single medical doctor from primary school to university and for every doctor who emigrates; US\$517,931 returns in investment are lost (WHO, 2006). There is a lot of brain drain as a result of healthcare professionals migrating to seek greener pastures (Drischel, 2005).

Moi Teaching and Referral Hospital (MTRH) is the second National Referral Hospital in Kenya. It is located in Eldoret, in the Rift Valley Province of Kenya. It was opened in 1917 as a cottage hospital and it was not until the establishment of Moi University in 1984 and the subsequent establishment of the Faculty of Health Sciences at the University that the hospital elevated from a district hospital to a teaching and referral institution. The hospital has an 800 bed capacity and received patients from western Kenya, parts of Eastern Uganda, and the southern Sudan. The hospitals employees a large number of employees who have to be motivated to perform better and stay with the organization.

#### **1.2 Statement of the Problem**

Employees are *extrinsically* motivated if they are able to satisfy their needs indirectly, especially through monetary compensation. Money is a "goal which provides satisfaction independent of the actual activity itself" (phalomano, 2003). Extrinsically motivated coordination in firms is achieved by linking employees' monetary motives to the goals of the firm. The ideal incentive system is strict pay-for-performance. Although many economists admit the existence of intrinsic motivation, they leave it aside because it is difficult to analyze and control (Williamson, 1985). Even if the assumption of opportunism is an "extreme caricature" (Fox, 2007) opportunism as a "worst-case scenario" is a prudent consideration when designing institutional structures (Williamson 1996). Transactions cost theory goes a step farther by assuming that individuals are opportunistic and seek self-interest with guile. Opportunism is a strong form of extrinsic motivation when individuals are not constrained by any rules.

Ideally the Public health sector is supposed to provide thriving work environment that will enable the employees to perform at their best and give maximum output. The public health sector is also allied with staff trainings to maximize the productivity of the employees and ensure maximum returns for the organization (Latham, 2007). The public health sector should provide the employees with good compensation packages and provide opportunities for career growth. The public health sector should provide adequate opportunities for their staff to realize expand and exploit their talents and capabilities to their fullest potentials. The health sector has plenty of opportunities to promote the overall growth of the employees as well as the organization itself (philps, 2012).

The current situation in the Kenya'shealth sector is worrying with the most complaints emanating from this sector. There are numerous complaints of staff exploitation and neglect (Numerof, 2003). Most often, the cases of lack of compensation for work done by the workers have become a norm. There are issues of high employee turnover among other employee related issues. Despite these numerous problems with employees in Kenya's public sector no study has been done on employee motivation in this sector.

According to workers compensation and employment Act (2006), organizations are legally required to provide the above benefits to their employees and worker compensation ACT (CAP: 225), which emphasizes social security and provision of financial assistance to those who lose jobs through no fault of their own. Despite of the above ways of motivating employees, performance in organization is still poor in form absence at work, late coming, and insufficient construction of responsible employees among others in Moi Teaching and Referral. The staff appraisal exercise has also shown that duties and responsibilities are not being adequately carried out, with low scores observed in many cases. This is revealed through the appraisal files that are filled annually and kept in the Human resource office. Some line managers have shown great weakness in the supervision of their subordinates, with the appraisal assessment not carried out. This is shown by the missing appraisal files of some workers, who are not appraised as demanded. In relation to management a lot of directives are given to the employees to produce tangible results and yet little attention is given to adequately motivate their efforts. This can be observed by the directives of meeting deadlines to produce documents, keeping punctuality, warning letters in cases of indiscipline with few inadequate incentives to encourage good performance. The study therefore seeks to find the effects of motivation on staff performance in the Health Services of Kenya, in MTRH.

## **1.3 Purpose of the Study**

The aim of this study is to investigate the influence of extrinsic motivation on employee's performance in Moi Teaching and Referral Hospital.

# **1.4 The Research objectives**

- i. To establish how salary influence employee performance in Moi Teaching and Referral Hospital.
- To determine how staff promotion influence employee performance in Moi Teaching and Referral Hospital.
- To establish how training influence employee performance in Moi Teaching and Referral Hospital.
- To examine how working environment influence employee performance in Moi Teaching and Referral Hospital.

# **1.5 Research Questions**

Research questions which were intended to be answered in this study are;

- 1. How does salary influence staff performance in Moi Teaching and Referral Hospital?
- 2. How does promotion influence staff performance in Moi Teaching and Referral Hospital?
- 3. In what way does training influence staff performance in Moi Teaching and Referral Hospital?
- 4. How does working environment influence staff performance in Moi Teaching and Referral Hospital?

# **1.6 Significance of the Study**

The findings of this study will help human resource management in Moi Teaching and Referral Hospital (MTRH) Eldoret on realizing the influence of extrinsic motivation on work performance in the organization and development plan on improving or sustaining the employees effort.

The study will be very useful to other researchers interested in the area of extrinsic motivation. That is, the outcome of this study will serve as a base for academicians who want to conduct further studies on the Influence of extrinsic motivation practices on staff

performance especially in the health sector for the betterment of the Health service in Kenya.

## **1.7 Scope of the study**

The study was carried out at MTRH Eldoret. The organization was selected because of its accessibility of the researcher and being one the organization that has employees of different categories. The organization also has a lot of challenges on work performance due to the kind of services they provide to the clients based on experience in the centre.

## **1.8 Basic Assumption**

This study makes an assumption with an expectation that all respondents were expected to be honest, accurate and detailed in providing information.

#### **1.9 Limitations of the Study**

In the process of conducting this study, the following limitations were anticipated:

The management of MTRH may deny the researcher access to the facility since the respondents may not understand the real intention of the study or may be too busy doing their work. They may also fear giving out information for fear of victimization. The researcher overcome all this by assuring the respondents that the study was for academic purpose only and the information given had to be treated with utmost confidentiality.

The researcher used a letter from his college to ascertain to the respondent that the data to be collected is to be used for academic purposes only.

The institution's administrators may also object to the research being carried out in their facility due to the altering of the various routine programs and schedules. The researcher thus sought to make appointments with the management so that they can amicably arrange for a convenient time to conduct the research. This ensured that the researcher was able to collect the data required for the study within the scheduled time without interfering with the company's normal functioning

#### **1.10 Scope and Delimitations of the Study**

The geographical scope of this study was limited to MTRH in Eldoret only. Although the findings of this study are supposed to be applied to other public hospitals in Kenya, the

study will only analyze data from MTRH. This because this is a national hospital with many employees and the findings from it can easily be applied to other hospitals.

This study laid more weight in on motivation factors in MTRH in the last five years (2009-2013). Although MTRH has been in place for a much longer period, this study is more interested in relation the prevailing conditions in the recent past.

The content scope of this study was limited to the following determinants of extrinsic motivation; salary, employee promotion, employee training and the working environment. This is because these are the major factors identified by other studies as the major determinants of employee motivation.

# 1.11 Definitions of Key Terms

- **Employee Motivation:** In this study Employee Motivation shall be defined as the willingness to exert high levels of effort toward organizational goals, conditioned by the effort's ability to satisfy some individual need.
- **Employee Training:** Educational preparation for performing a job that is typically provided to staff by the business that has recently hired them before they become active in service to the company. Employee training is increasingly required to assist the work force in using modern techniques, tools, strategies and materials in their jobs.
- **Motivation;** It's the ability to create in others the willingness and commitment to achieve the best performance they are capable of.
- Management; It's the act or skill of dealing with people or situations in a successful way.

In all organizations or business activities is the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively. It comprises planning, staffing, leading and directing, or controlling organization or effort for purpose of accomplishing a goal.

- **Organizational Commitment:** In this study the operational definition of Organizational Commitment is the relative strength of an individual's identification with and involvement in a particular organization.
- **Performance management;** it refers to total process of observing an employee performance in relation to job requirements over a period of time i.e clarifying expectations, setting goals, providing on the job coaching, storing and recalling information about performance and then making appraisal on it.
- **Promotion:** it is the advancement of an employee's rank or position in an organizational hierarchy system. Promotion may be an employee's reward for good performance, i.e., positive appraisal. Before a company promotes an employee to a particular position it ensures that the person is able to handle the added responsibilities by screening the employee with interviews and tests and giving them training or on-the-job experience. A promotion can involve advancement in terms of designation, salary and benefits, and in some organizations the type of job activities may change a great deal. The opposite of a promotion is a demotion
- Salary: It is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. It is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis. From the point of a view of running a business, salary can also be viewed as the cost of acquiring and retaining human resources for running operations, and is then termed personnel expense or salary expense. In accounting, salaries are recorded in payroll accounts. Salary is a fixed amount of money or compensation paid to an employee by an employer in return for work performed. Salary is commonly paid in fixed intervals, for example, monthly payments of one-twelfth of the annual salary.

- **Staff Retention:** This is the strategy to maintain an employee working in an organization or institution for as long as possible. The term in the study refers to the policies that private health institutions adopt to ensure that their employees remain there
- Work Environment: Location where a task is completed. When pertaining to a place of employment, the work environment involves the physical geographical location as well as the immediate surroundings of the workplace, such as a construction site or office building. Typically involves other factors relating to the place of employment, such as the quality of the air, noise level, and additional perks and benefits of employment such as free child care or unlimited coffee, or adequate parking.

# CHAPTER TWO

## LITERATURE REVIEW

## **2.1 Concept of Employee Performance**

Employee performance is normally looked at in terms of outcomes. However, it can also be looked at in terms of behavior (Armstrong 2000). (Crouse, 2005), stated that employee's performance is measured against the performance standards set by the organization. There are a number of measures that can be taken into consideration when measuring performance for example using of productivity, efficiency, effectiveness, quality and profitability measures (Crouse, 2005)as briefly explained hereafter. Profitability is the ability to earn profits consistently over a period of time. It is expressed as the ratio of gross profit to sales or return on capital employed (Wood & Stangster 2002).

Efficiency and effectiveness- efficiency is the ability to produce the desired outcomes by using as minimal resources as possible while effectiveness is the ability of employees to meet the desired objectives or target (Stoner, 1996). Productivity is expressed as a ratio of output to that of input (Fox, 2007). It is a measure of how the individual, organization and industry converts input resources into goods and services. The measure of how much output is produced per unit of resources employed (Lipsey 1989). Quality is the characteristic of products or services that bear an ability to satisfy the stated or implied needs (Mwaura, 1999). It is increasingly achieving better products and services at a progressively more competitive price (Jain, 2005). As noted by (William, 2011), it is the responsibility of the company managers to ensure that the organizations strive to and thus achieve high performance levels. This therefore implies that managers have to set the desired levels of performance for any periods in question. This they can do by for example setting goals and standards against which individual performance can be measured. Companies ensure that their employees are contributing to producing high quality products and/or services through the process of employee performance management

This management process encourages employees to get involved in planning for the company, and therefore participates by having a role in the entire process thus creating motivation for high performance levels. It is important to note that performance management includes activities that ensure that organizational goals are being consistently met in an effective and efficient manner. Performance management can focus on performance of the employees, a department, processes to build a product or service, etc. Earlier research on productivity of workers has showed that employees who are satisfied with their job will have higher job performance, and thus supreme job retention, than those who are not happy with their jobs (Lauby, 2005). Further still, Miner, (2007) document that employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets. Effect of training on performance in the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance.

Some studies have proceeded by looking at performance in terms of employee performance in particular (Msoroka, , 2013; Griffin, 2012) while others have extended to a general outlook of organizational performance (Schermerhorn, 2010; Mukherjee, 2005). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance. In relation to the above, Mwaura, (1999) note that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. The branch of earlier research on training and employee performance has discovered interesting findings regarding this relationship. Training has been proved to generate performance

improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior ( (Müller, 2011; koonz, 1990; phalomano, 2003). Moreover, other studies for example one by Swart et al. (2005) elaborate on training as a means of dealing with skill deficits and performance gaps as a way of improving employee performance. According to William, (2011), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. It is always so that employees possess a certain amount of knowledge related to different jobs. However, it is important to note that this is not enough and employees need to constantly adapt to new requirements of job performance. In other words, organizations need to have continuous policies of training and retaining of employees and thus not to wait for occurrences of skill and performance gaps. According to (koonz, 1990), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner.

Further still, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Pareek, 2007).

# 2.2 The concept and meaning of motivation

Along with perception, personality, attitudes, and learning, motivation is a very important part of understanding behaviour. Luthan (1998) asserts that motivation should not be

thought of as the only explanation of behaviour, since it interacts with and acts in conjunction with other mediating processes and with the environment. Luthan stress that, like the other cognitive process, motivation cannot be seen. All that can be seen is behaviour, and this should not be equated with causes of behaviour. While recognizing the central role of motivation, William Pride (2011) states that many recent theories of organizational behaviour find it important for the field to re-emphasize behaviour. Definitions of motivation abound. One thing these definitions have in common is the inclusion of words such as "desire", "want", "wishes", "aim", "goals", "needs", and" incentives". Luthan (1998) defines motivation as, "a process that starts with a physiological deficiency or need that activates a behaviour or a drive that is aimed at a goal incentive". Therefore, the key to understanding the process of motivation lies in the meaning of, and relationship among, needs, drives, and incentives. Relative to this, Robbins, (2009) state that in a system sense, motivation consists of these three interacting and interdependent elements, i.e., needs, drives, and incentives. Managers and management researchers have long believe that organizational goals are unattainable without the enduring commitment of members of the organizations. Motivation is a human psychological characteristic that contributes to a person's degree of commitment (Cummings, 1998).It includes the factors that cause, channel, and sustain human behaviour in a particular committed direction. Griffin, (2012) goes on to say that there are basic assumptions of motivation practices by managers which must be understood. First, that motivation is commonly assumed to be a good thing. One cannot feel very good about oneself if one is not motivated.

Second, motivation is one of several factors that go into a person's performance. Factors such as ability, resources, and conditions under which one performs are also important. Third, managers and researchers alike assume that motivation is in short supply and in need of periodic replenishment. Fourth, motivation is a tool with which 5managers can use in organizations. If managers know what drives the people working for them, they can tailor job assignments and rewards to what makes these people "tick." Motivation can also be conceived of as whatever it takes to encourage workers to perform by fulfilling or appealing to their needs. To Olajide (2000), "it is goal directed, and therefore cannot be

outside the goals of any organization whether public, private, or nonprofit", Strategies of Motivating Workers Bernard in Schermerhorn , (2010) accords due recognition to the needs of workers saying that, "the ultimate test of organizational success is its ability to create values sufficient to compensate for the burdens imposed upon resources contributed." Bernard looks at workers in an organized endeavour, putting in time and efforts for personal, economic, and non-economic satisfaction.

#### 2.2.1 Motivating employees extrinsically to perform

It is argued by Amabile (1993) that there exist numerous jobs which are purely extrinsic motivated. However, when taking Herzberg's (1959) Two-Factor theory into account, it is argued that extrinsic factors (or hygiene factors) cannot cause motivation or satisfaction, so it is likely that those factors are not causing high performances (Brass, 1981). SAPRU, (2013) argue that an exclusively increase in extrinsic factors will not lead to an increase in performance. However, it seems that there are some extrinsic factors which can (in combination with intrinsic factors) lead to higher performances (Ansar et al., 1997). Extrinsic motivators are not a logically inherent part of the work, as Amabile (1993) describes. She states that they are intended to control the performance of the work. Examples are: promised rewards, praises, critical feedback, deadlines, surveillance and specifications on how the work needs to be done. An example of a purely extrinsic task is doing formal performance reviews of B. Keijzers; Employee motivation related to employee performance in the organization an employee; that's a task which is barely intrinsically motivated. In Seligman's (2002) theory, a person who is extrinsically motivated can be described as an employee who perceives his work orientation as "a job"; this kind of worker performs his job for the paycheck at the end of the month. Salary is an extensively researched extrinsic motivator. Since it is labeled as an extrinsic factor, it is not perceived as causing motivation in the workplace (Herzberg, 1959). However recent research of Lauby, (2005) resulted in considerable evidence that higher wages directly affect job performance. They also argue that in the case that labour turnover is costly for an organization (because of severance, training and hiring costs), firms could pay higher wages to decrease quit rates and save on turnover costs. These statements are confirmed by Rynes et al. (2004); they argue that pay is probably the most

important motivational factor. And Jurgensen (1978) concluded that job applicants seemed to believe that pay is the most important attribute to everyone except themselves. Ansar et al. (1997) also argue that that lowering wage levels to market parity can even reduce worker productivity. However, Deci (1972) argues that pay can decrease intrinsic motivation. Deci (1972) proved in his research that if payments are non-contingently presented it decreases intrinsic motivation and it does not if payments are contingently presented. However, it not only seems that pay increases job performances but a high commitment to supervisors and a high job security can obtain the same results (Becker et al., 1996; Kraimer et al., 2005). Becker et al. (1996) concluded in their research that a high overall commitment to an employee's supervisors and peers increases job performance. But, they state that overall commitment to organizations is uncorrelated with job performance. Kraimer et al. (2005) argue that when organizations succeed in providing employees a high job security, job performances will increase. And the other way around; they concluded that the less job security an employee has, the fewer obligation the person has to perform well. However, Miner, (2007) argue that job security can be expensive for firms if they rely on temporary workers. But according to Lindner (1998), managers should begin by focusing on pay and job security before focusing on the five intrinsic job characteristics. Lindner (1998) also argues that the reinforcing circle of performance is applicable to salary, commitment to supervisors and peers and job security; through one of these factors a higher performance is established, which causes satisfaction for the employee and results in a higher motivation to perform well in the future. B. Keijzers; Employee motivation related to employee performance in the organization it is argued by researchers that extrinsic factors do not contribute to an increase in performance.

However, it seems that for some forms of extrinsic factors the opposite is true. It is stated that salary, commitment to supervisors and peers and job security can increase job performances. Through providing one or more of these factors a higher performance is established, therefore the employee gains external satisfaction and is motivated to perform well in the future. But managers should be careful with extrinsic motivational factors, since in some cases they can decrease intrinsic motivational factors

#### 2.3 Working Conditions on the Organizational Performance

Long ago since the advent of organizations, the concept of effectiveness has been considered as the basic purpose of various organizations. Organizational researchers, managers, and administrators, in an effort to improve the organizational effectiveness, developed the science of organizational behavior and human resource management. In an effort to improve organizational effectiveness, or in other words improve the behavior and attitude outcomes, organizations and managers have been trying to identify what is affecting on these variables and in a way manage them effectively. The workplace environment plays a crucial role for the employees. Nowadays when employees have more working alternatives, the environment in workplace becomes a critical factor for accepting and/or keeping the jobs. The quality of environment in workplace may simply determine the level of employee's motivation, subsequent performance and productivity. How well employees get along with the organization influence the employee's error rate, level of innovation and collaboration with other employees, absenteeism and ultimately time period to stay in the job.

Although compensation package is one of the extrinsic motivation tool (Ryan and Deci, 2000) it has a limited short term effect on employees' performance. A widely accepted assumption is that better workplace environment motivates employees and produces better results. Office environment can be described in terms of physical and behavioral components. These components can further be divided in the form of different independent variables. An organization's physical environment and its design and layout can affect employee behavior in the workplace. Thomas G. Cummings, (1998) estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. Stallworth and Kleiner (1996) argue that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups. (Schermerhorn 2010) argues that the modern work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. To

achieve high levels of employee productivity, organizations must ensure that the physical environment is conducive to organizational needs facilitating interaction and privacy, formality and informality, functionality and cross-disciplinarily. Consequently, the physical environment is a tool that can be leveraged both to improve business results (Mohr, 1996) and employee well-being (William Pride, 2011)

Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Fox, 2007; Griffin, 2012) as well as levels of job satisfaction and the perception of fairness of pay (Schermerhorn, 2010)). From a safety perspective, Jain, (2005) indicates that environmental conditions affect employee safety perceptions which impact upon employee commitment.

Extensive scientific research conducted by (Mukherjee, 2005) has also yielded indications suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity. The indoor environment has the biggest effect on productivity in relation to job stress and job dissatisfaction. As suggested by Robbins,(2009) in the twenty-first century, businesses are taking a more strategic approach to environmental management to enhance their productivity through improving the performance level of the employees. It is evident in the research findings of (SAPRU, 2013) that the more satisfied workers are with their jobs the better the company is likely to perform in terms of subsequent profitability and particularly productivity. Fox, (2007) argues that the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, European Journal of Business and Management www.iiste.org ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol.6, No.1, 2014 148 exactly, to maximize employee productivity center around two major areas of focus: personal motivation and the infrastructure of the work environment.

An attractive and supportive work environment can be described as an environment that attracts individuals into the health professions, encourages them to remain in the health workforce and enables them to perform effectively. The purpose of providing attractive work environments is to create incentives for entering the health professions (recruitment) and for remaining in the health workforce (retention). In addition, supportive work environments provide conditions that enable health workers to perform effectively, making best use of their knowledge, skills and competences and the available resources in order to provide high-quality health services. This is the interface of the work environment and quality of care. Working environment can be divided into two components namely physical and behavioral components.

The physical environment consists of elements that relate to the office occupiers" ability to physically connect with their office environment. The behavioral environment consists of components that relate to how well the office occupiers connect with each other, and the impact the office environment can have on the behavior of the individual. According to Haynes (2008), the physical environment with the productivity of its occupants falls into two main categories office layout (open-plan verses cellular offices) and office comfort (matching the office environment to the work processes), and the behavioral environment represents the two main components namely interaction and distraction.

#### 2.4 Promotion and Employee performance

Promotions appear to be the most important form of pay for performance in most organizations, especially in hierarchical, white-collar firms. They are the primary means by which workers can increase their long-run compensation (Schermerhorn, 2010; Mwaura, 1999). They are usually given to the best performers (Robbins, 2009; Müller, 2011). Therefore, promotions should generate substantial motivation in many settings. Moreover, there often does not seem to be strong pay for performance within jobs, which only increases the apparent importance of promotions for organizational incentives (Pareek, 2007)It follows that in order to analyze the systems firms use to motivate employees, it is essential to fully understand the incentive effects of promotions.

Promotions have generated a great deal of theoretical interest, especially in the context of tournament models (Müller, 2011).

#### 2.4.1 Promotions as Incentives

It is worth considering why firms might use promotions for incentives. Individualistic schemes, especially ones that do not depend on job assignments, allow more flexibility in providing incentives. In other words, promotions are often used to achieve two goals simultaneously that in principle might be separated: putting employees in the right jobs, and generating motivation. Thus, it is not immediately obvious why promotions should be used as incentives. An important reason that promotions are sources of incentives is worker reputation, or "career concerns" (Numerof, 2003; Pareek, 2007; Miner, 2007; McBurney, 2009). Suppose that a worker's ability is not publicly known, and the labor market pays wages based assessments of ability (reputation).

If effort and ability are substitutes at producing output or ability signals, then the worker has an incentive to improve reputation by increasing effort. Where does reputation come from? Often it is the worker's history of position s promotions which provides the greatest evidence on productivity and potential (SAPRU, 2013). Thus promotions can play a key role in incentives, even when firms do not intend them to. A second reason that promotions maybe important motivators are that they can be self enforcing incentives schemes (Mwaura, 1999). Assume, for example, that the firm attaches wages to jobs, not to individuals, and fills slots by promoting the best performers. If this is done, then the firm's wage bill is fixed, regardless of who is promoted. In order for this system to provide incentives, the firm needs to credibly promote good performers rather than poor performers. Because the wage bill is fixed, the firm has no reason not to; thus, the incentive contract is self-enforcing. This may give a contracting advantage over other incentive mechanisms

# 2.5 Salaries and Rewards Policy on the Organizational Performance

Jain, (2005)states that "human resource management (HRM) is the planning, organizing, directing and controlling of the procurement, development compensation, integration, maintenance and separation of human resources to the end that individual, organizational

and societal objectives are accomplished." HRM strives to achieve organizational goals and the goals of employees through effective personnel programs policies and procedures. Successful performances of the personnel function can greatly enhance the bottom line of any organization. The personnel practitioners however are challenged more today than at any time in the history by a changing and more demanding labor force that has high expectation about the work place. At the same time, rapidly advancing technologies and outside influences are changing the nature of modern jobs. It is thus more critical and more difficult to maintain a work environment that motivates and satisfies human resources (William Pride, 2011)

According to Fox, (2007) "compensation which includes direct cash payment, and indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity is a critical component of the employment relationship". He added that compensation is affected by forces as diverse as labor market factors, collective bargaining, government legislation and top management philosophy regarding pay and benefits". A good compensation package is a good motivator. Hence, the primary responsibility of the HR manager is to ensure that the company's employees are well paid. Other objectives of compensation include; to attract capable applicants; retain current employee so that they don't quit; motivate employees for better performance; reward desired behavior; ensure equity; control cost; and facilitate easy understanding by all i.e. employees operating manager and HR personnel (Robbins, 2009).

According to (SAPRU, 2013) the following factors influence compensation: the organization's capacity to pay; prevailing pay and benefits in the industry; compensation in the industry and availability of special competent personnel; flexibility, i.e. kind of competencies and abilities in managers; performance/productivity/responsibilities of individual; organization philosophy such as to be leader or pay prevailing rates; qualifications and relevant experience; and stability of employment and advancement opportunities. Compensation literally means to counterbalance, offset, and to make up for. It implies an exchange. Schermerhorn, (2010)argues that compensation translates

into different meaning among countries and even overtime. He offers the following alternative. According to Jain, (2005) there are several prerequisites to the effective installation and operation of payment system: a.) It should be developed and introduced with the involvement of the workers concerned in a harmonious climate of industrial relations. b) Work-study precedes the installation of incentive programs. c) The wage structure should be rationalized on the basis of job evaluation before devising an incentive plan. d) The objective to be accomplished through incentives should be defined and accordingly, an attempt should be made to select a scheme, which is most suitable to accomplish them. Social security system provides benefits such as provident fund, employees' state insurance (ESI) scheme, retrenchment compensation, employment injury compensation, maternity benefits, gratuity, pension, dependent allowance and contribution toward pension and gratuity claims. Workers include medical and health care, restaurants, cooperative credit societies and consumer stores, company housing, house rent allowance. Recreational and cultural services, clubs, cash assistance. Some employers also provide education, transport facilities and conveyance allowance (Williams, 1998).

The remuneration strategy success is very much linked with corporate responsibility. Employers and designated managers should apply and realize useful objectives and targets that are linked to the workers pay and performance that implies effective performance management system connecting the achievement of workers group, department and individual objectives and targets in order to remuneration and bonus schemes. (Lockwood, 1994) The implantation of remuneration strategies for business organizations adheres to their corporate governance structure and provides a framework for implementing the strategies, policies and procedures that have their roots in the statement of business principles such as the way organizations do their business that will positively motivate employees to do better in work and perform beyond standards and expectations that are expected of them in the diverse workforce as of the present (Lockwood, 1994).

According to Msoroka, (2013), motivation can be either intrinsic or extrinsic. Intrinsic motivation stems from motivations that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals. While extrinsic motivations are those that are external to the task of the job, such as pay, work condition, fringe benefits, security, promotion, contract of service, the work environment and conditions of work. Such tangible motivations are often determined at the organizational level, and may be largely outside the control of individual managers. Intrinsic motivation on the other hand are those rewards that can be termed psychological motivations and examples are opportunity to use one's ability, a sense of challenge and achievement, receiving appreciation, positive recognition, and being treated in a caring and considerate manner. An intrinsically motivated individual, according to Müller, (2011) will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her. And an extrinsically motivated person will be committed to the extent that he can gain or receive external rewards for his or her job. He further suggested that for an individual to be motivated in a work situation there must be a need, which the individual would have to perceive a possibility of satisfying through some reward. If the reward is intrinsic to the job, such desire or motivation is intrinsic. But, if the reward is described as external to the job, the motivation is described as extrinsic. Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase the organizations productivity. Also, with the present global economic trend, most employers of labour have realized the fact that for their organizations to compete favorably, the performance of their employees goes a long way in determining the success of the organization. On the other hand, performance of employees in any organization is vital not only for the growth of the organization but also for the growth of individual employee. An organization must know who are its outstanding workers, those who need additional training and those not contributing to the efficiency and welfare of the company or organization. Also, performance on the job can be assessed at all levels of employment such as: personnel decision relating to promotion, job rotation, job enrichments etc. And, in some ways, such assessments are based on objective and systematic criteria, which include factors relevant to the person's ability to perform on

the job. Hence, the overall purpose of performance evaluation is to provide an accurate measure of how well a person is performing the task or job assigned to him or her. And based on this information, decisions will be made affecting the future of the individual employee. Therefore, a careful evaluation of an employee's performance can uncover weak-nesses or deficiencies in a specific job skill, knowledge, or areas where motivation is lacking. Once identified, these deficiencies may be remedied through additional training or the provision of the needed rewards. The view that specific rewards will encourage increases in production has not always been substantiated, even though management has often attempted to spur production by such offerings and has often attributed production increase to them.

#### 2.6 Training and Employee performance

In the real world, organizational growth and development is affected by a number of factors. In light with the present research during the development of organizations, employee training plays a vital role in improving performance as well as increasing productivity. This in turn leads to placing organizations in the better positions to face competition and stay at the top. This therefore implies an existence of a significant difference between the organizations that train their employees and organizations that do not. Existing literature presents evidence of an existence of obvious effects of training and development on employee performance. Some studies have proceeded by looking at performance in terms of employee performance in particular (Schermerhorn, 2010; Müller, 2011) while others have extended to a general outlook of organizational performance (Robbins, 2009; Schermerhorn J., 2010). In one way or another, the two are related in the sense that employee performance is a function of organizational performance since employee performance influences general organizational performance. In relation to the above, (Robbins, 2009) note that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. The branch of earlier research on training and employee performance has discovered interesting findings regarding this

relationship. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (koonz, 1990; Schermerhorn, 2010; Griffin, 2012). Moreover, other studies for example one by William Pride, (2011), elaborate on training as a means of dealing with skill deficits and performance gaps as a way of improving employee performance. According to Thomas G. Cummings, (1998), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. It is always so that employees possess a certain amount of knowledge related to different jobs. However, it is important to note that this is not enough and employees need to constantly adapt to new requirements of job performance. In other words, organizations need to have continuous policies of training and retaining of employees and thus not to wait for occurrences of skill and performance gaps. According to Rita E. Numerof (2003), employee competencies change through effective training programs. It not only improves the overall performance of the employees to effectively perform the current job but also enhance the knowledge, skills and attitude of the workers necessary for the future job, thus contributing to superior organizational performance. Through training the employee competencies are developed and enable them to implement the job related work efficiently, and achieve firm objectives in a competitive manner. Further still, dissatisfaction complaints, absenteeism and turnover can be greatly reduced when employees are so well trained that can experience the direct satisfaction associated with the sense of achievement and knowledge that they are developing their inherent capabilities (Schermerhorn, 2010)

#### 2.7 Theoretical Framework

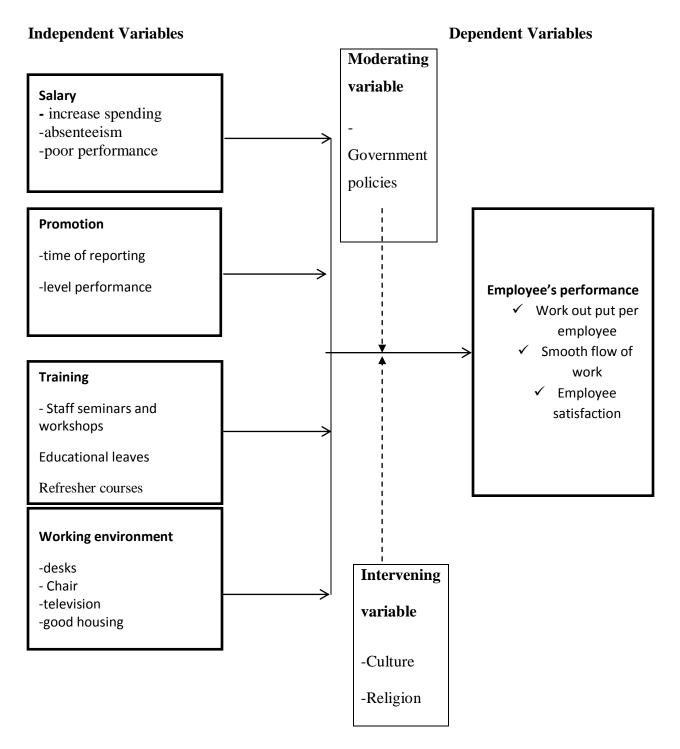
This study employed Maslow's Hierarchy of Needs theory, different scholars have put forth different explanations on how motivation can be achieved within a company or an organization. Prominent amongst them is Maslow with the theory of "Maslow's Hierarchy of needs". Consequently, Maslow in 1943 reasoned that human beings have an internal need pushing them on towards self actualization (fulfillment) and personal superiority. Maslow came up with the view that there are five different levels of needs and once we happen to satisfy a need at one stage or level of the hierarchy it has an influence on our behavior. At such level our behavior tends to diminish, we now put forth a more powerful influence on our behavior for the need at the next level up the hierarchy. Firstly, individuals are motivated by Psychological needs:

By Maslow this psychological needs forms the basic need for survival and this may include food, warmth, clothing and shelter. When people are hungry, don't have shelter or clothing, there are more motivated to fulfill these need because these needs become the major influence on their behavior. But on the other hand when people don't have a deficiency in those basic needs (psychological needs), their needs tend to move to the second level where it is equally seen by Maslow as the higher order of needs. The second level is seen as the security needs: Security tends to be the most essential need to people at this level. This is expressed in safety in the employee's health and family. The third level of needs by Maslow was the social needs. When feeling secured an safe at work, employees will now place job relations as their focus that is trying to build up a good friendship, love and intimacy. As we keep moving up the ladder we will have self-esteem needs: This fourth level of needs by Maslow presents the recognition to be accepted and valued by others. The highest or last level of Maslow's need is self-actualization needs: Self actualization was to develop into more and more what one is to become all that one is competent of becoming Wahba and Bridge well in their extensive review of Maslow's theory found little evidence for the ranking of needs which Maslow described or even the existence of a definite hierarchy. Maslow's theory has been criticized for this apparent rigidity. It is questionable whether needs can always be ranked in a simple hierarchical form. Maslow himself questions the validity of a rigid ordering of needs, because individuals are likely to have different priorities. (Needham 1999, 272). Based on this theory the researcher seeks to find out the influence of extrinsic motivation on employee performance in MTRH Centre.

This theory is relevant to this study because the study is based on the fact that employees of an organization have the ability perform well. When the employees can see a clear link between an increase in their efforts and an increase in rewards that they personally value, they are motivated to perform "above and beyond the call of duty". This study is sought to find out the role of extrinsic motivation in influence work performance in any organization.

### 2.8 Conceptual frame work

This study was guided by the conceptual framework below



**Figure 1. Conceptual Framework** 

According to Swart et al., (2005), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. According to Fox, (2007)" compensation which includes direct cash payment, and indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity is a critical component of the employment relationship". He added that compensation is affected by forces as diverse as labor market factors, collective bargaining, government legislation and top management philosophy regarding pay and benefits". A good compensation package is a good motivator. Promotion systems affect almost all aspects of organizational lives. This is particularly evident from studies of human resource management (HRM) (Fuller and Huber, 1998) and internal labor markets (Baker and Holmstrom, 1995; Barron and Loewenstein, 1985), to name a few. Given the importance of promotion systems in organizations, it is surprising that few studies have attempted to examine the role of various environmental, organizational and job factors on the effectiveness of promotion systems (Miner, 2007).

An attractive and supportive work environment can be described as an environment that attracts individuals into the health professions, encourages them to remain in the health workforce and enables them to perform effectively. The purpose of providing attractive work environments is to create incentives for entering the health professions (recruitment) and for remaining in the health workforce (retention). In addition, supportive work environments provide conditions that enable health workers to perform effectively, making best use of their knowledge, skills and competences and the available resources in order to provide high-quality health services

## CHAPTER THREE RESEARCH METHODOLOGY

## **3.0 Introduction**

This chapter presents the research design to be used, target population of the study, the sampling design and sample size, data collection instrument, validity and reliability of the study, data procedure and data analysis.

## **3.1Research Design**

This study employed a case study design is a type of research method that is used when one wants to get information on the current status of a person or an object. It is used to describe what is in existence in respect to conditions or variables that are found in a given situation. Case studies are used in preliminary and exploratory studies to allow the study to gather information, summarize, present and to be interpreted to follow with the need of clarification (Mitchell, 2012). The case that was chosen in this study is MTRH in Eldoret.This kind of research design applies in this study because the current situation in the MTRH is the same as the nature of the defination of problem.

## **3.2 Target Population**

According to Kombo & Tromp (2006), a population is a group of individuals, objects or items from which samples are taken for measurements. Mugenda (2003) defines target population as the population to which the researcher wants to generalize the results of a study. The research targeted the population of 500 nurses and 30 Head of departments of Moi Teaching and Referral Hospital from which a sample were selected. The nurses were preferred by the researcher since they are the highest populated compared to employees in other department and hence would provide a more accurate representation of the views of the employee population.

HoD         30           Nurses         500	
Nurses 500	
Total 530	

Table 3.1: Target population
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Source: MTRH 2014

#### 3.3 Sample size and sampling procedures

Sampling is that part of statistical practice which concerns the selection of individual observations intended to yield some knowledge about a population of concern, especially for the purposes of statistical inference (Ghoshi, 2002). Sampling frame which has the property that study can identify every single element and include any in the sample. The most straight forward type of frame is a list of elements of the population preferably the entire population with appropriate contact information. The sampling frame must be representative of the population and this is a question outside the scope of statistical theory demanding the judgment of experts in the particular subject matter being studied (Kothari, 2006).

The study employed the Krejcie and Morgan formulae (1970) from where a total of 28 heads of departments and 217 nurses were sampled to form a total target population of 245 respondents. Krejcie and Morgan (1970) methods the following formula to determine sampling size:

S = X2NP (1-P)/d2 (N-1) + X2P(1-P)

S = required sample size

X2 = the table value of chi-square for one degree of freedom at the desired confidence level

N = the population size

P = the population proportion (assumed to be .50 since this would provide the maximum sample size)

d = the degree of accuracy expressed as a proportion (.05)

Category	<b>Target Population</b>	Sample size	
HoD	30	28	
Nurses	500	217	
Totals	530	245	

 Table 3.2: Sample size

Source: MTRH (2014)

Oso and Onen (2005) describe a sample as a part of a target population procedurally selected to represent that population. In this study the sampling units are the individual nursing employees who work at the Moi Teaching and Referral Hospital- Eldoret. A sample of 217 respondents were selected by simple random sampling from a target population of 500 nurses. Purposive sampling was used to select head of departments. the 28 head of departments participated in the study.

#### **3.4 The Research Instruments**

Questionnaires were the main data collection instrument due to the nature of data that is required, the time available for the study and the objectives of the study. Mugenda (2003) defines a questionnaire as a research instrument developed to address a specific objective, research question or hypothesis. The questionnaire developed had both open ended and closed ended type of questions. In this research, the questionnaires were used due to the following reasons: the questionnaires allow the researcher to collect a large amount of data within a relatively short period of time. Questionnaires are also less expensive than many other data collection techniques, yet provide reliable results.

The questionnaires were divided into three sections to enable the researcher to capture the necessary data required for the research. The first section dealt with the respondent's demographics, in which they are required to indicate their age, gender, education level and length of service. It is imperative that the questionnaire captured the respondent's

demographic features. The second section of the questionnaire dealt with the independent. The third section dealt with the dependent.

#### 3.5 Validity and Reliability of Research Instruments

#### **3.5.1 Validity of Research instruments**

Validity is the degree to which the research instruments measures what it is supposed to measure (Gay, 1976, Mugenda and Mugenda (2003). Validity is the accuracy and meaningfulness of inferences of the results. Therefore, validity refers to the extent to which an instrument has to measure what it ought to measure accurately on the variables of the study and produce data, which can be used to explain the phenomenon and give meaningful inferences. This was done through careful examination of the content of the test and removing from it all those elements that may prejudice participant's responses. The researcher ensured the validity of the instruments by consulting supervisors, other lecturers in the Department University of Nairobi and any recommended advice emanating from these personnel were dully affected.

#### **3.5.2 Reliability of Research instruments**

According to Mugenda, and Mugenda (2003), Gay (1976) reliability is a measure of degree to which a research instrument yields consistent results or data after repeated trials. The reliability of the instruments was tested through a pilot study, which was conducted at the Uasin Gishu district Hospital – Eldoret. The pilot study involved census sampling of all the 16 nurses at the district hospital. The test-retest technique was applied in the piloting i.e. questionnaires were administered and after two weeks the same questionnaires were administered to the same. The Crombach's alpha scale was used with reliability being taken for values above 0.5.

#### **3.6 Data Collection Procedure**

This refers to the series of events to be followed during the data collecting process .In this research study, the researcher first booked appointments with all the staff in MT RH before making a formal visit on the respective day of the appointment. The researcher requested to be allowed to conduct the study in the Institution. Upon visiting, on the day of the study, the researcher issued the questionnaire to the staff and students of the

institution. The respondents were guided on how to respond and were assured of confidentiality after which they were given the questionnaires to fill. The researcher then gave the respondents 30 minutes to fill the questionnaires after which the questionnaires were collected upon completion. The researcher then assemble all the collected information and appreciate the respondents before leaving.

#### 3.7 Data Analysis Methods and Justification

The study adopted quantitative analysis in order to achieve the objectives of the study. Inferential statistics were applied, in drawing conclusions and, in some cases, making predictions about the properties of a population based on information obtained from a sample. Inferential statistics are used to answer cause-and-effect questions, make predictions and investigate differences between and among groups. However, inferential statistics by themselves do not prove causality, thus such proof is always a function of a given theory, and it is vital that such theory be clearly stated prior to using inferential statistics.

Multiple regression analysis technique was used to determine the effect of independent variables on the dependent variable, it was used to measures the relative influence of each independent variable based on its covariance dependent variable and was useful in forecasting. Usually, it is most appropriate when both the independent and dependent variables are interval, though some social scientists also use regression on ordinal data. Like correlation, regression analysis assumes that the relationship between variables is linear (Bernard, 2006).

In its simplest form multiple regression analysis involves finding the best straight-line relationship to explain how the variation in an outcome (or dependent) variable, Y, depends on the variation in a predictor (or independent or explanatory) variable, X. Once the relationship is estimated, it is possible to use the equation:

 $Y = b_0 + b_1 X_1 + b_2 X_2 + b_3 X_3 + b_4 X_4 + e$ 

### Where

 $X_{1}$  = Salaries  $X_{2}$  = Training of employees  $X_{3}$  = Work environment  $X_{4}$  = Promotions E= Error margin

Y= Employee performance

## **3.8 Operational Definition of Variables**

To achieve the objectives of the study the researcher investigated influence of extrinsic motivation on employee's performance in moi teaching and referral hospital Eldoret, Kenya. The objectives of the study include the influence of; establish how salary influence employee performance in Moi Teaching and Referral Hospital, determine how staff promotion influence employee performance in Moi Teaching and Referral Hospital, establish how training influence employee performance in Moi Teaching and Referral Hospital, determine how orking environment influence employee performance in Moi Teaching and Referral Hospital and examine how working environment influence employee performance in Moi Teaching and Referral Hospital. To achieve these objectives questionnaires were used each with specific questions for each objective.

Objective	Variables	Indicators	Measurement	Tools of	Types of
			scale	analysis	tools
To establish	Dependent	- Increase	Nominal	Desciptive	Frequency
the influence	Employee	Job		statistics.	distribution
of how salary	performance	Satisfaction		tables	tables
influence on	Independent	- Job			
employee	Salary and	commitment			
performance	other	-improved	Ordinal		

 Table 3.3 Operational Definition of Variables

in Moi	monetary	performance			
Teaching and	reword				
Referral					
Hospital.					
To determine	Dependent	-Increased	Nominal	Descriptive	Frequency
how staff	Employee	trust		statistics	distribution
promotion	performance	-level		Tables	tables
influence	Independent	performance			
employee	Employee	periormanee			
performance	promotions	-increased	Ordinal		
in Moi		responsibility			
Teaching and					
Referral					
Hospital.					
T 1	Delat	Neuriteren	NT - units - 1	Dessisting	<b>F</b>
To establish	Dependent	- Number of	Nominal	Desciptive	Frequency
how training	Employee	Staff		statistics.	distribution
influence	performance	seminars and		tables	tables
employee	Independent	workshops			
performance	Employee	Increased			
in Moi	training	Educational	Ordinal		
Teaching and		leaves			
Referral					
Hospital.		Number of			
		Refresher			
		courses			
To examine	Dependent	- Work	Nominal	Desciptive	Frequency

how working	Employee	station.		statistics.	distribution
environment	performance	-good	Ordinal	tables	tables
influence	Independent	housing			
employee	Working				
performance	Environment				
in Moi					
Teaching and					
Referral					
Hospital.					

#### **3.9 Ethical considerations.**

Ethical issues are those issues pertaining to or dealing with morals or the principles of morality of a study. The researcher agrees to comply with the following principles which aim at protecting the dignity and privacy of every individual who, in the course of the research work carried out under the project, were requested to provide personal or commercially valuable information about him/herself or others (hereinafter referred to as a subject of research)

Before an individual becomes a subject of research, he/she was notified of: the aims, methods, anticipated benefits and potential hazards of the research; his/her right to abstain from participation in the research and his/her right to terminate at any time his/her participation; and the confidential nature of his/her replies.

No individual became a subject of research unless he/she is given the notice referred to in the preceding paragraph and provides a freely given consent that he/she agrees to participate. No pressure or inducement of any kind shall be applied to encourage an individual to become a subject of research. The identity of individuals from whom information is obtained in the course of the project shall be kept strictly confidential. At the conclusion of the project, any information that reveals the identity of individuals who were subjects of research were destroyed unless the individual concerned has consented in writing to its inclusion beforehand.

No information revealing the identity of any individual were included in the final or in any other communication prepared in the course of the project, unless the individual concerned has consented in writing to its inclusion beforehand.

#### **CHAPTER FOUR**

#### 4.0 DATA PRESENTATION, ANALYSIS AND INTERPRETATION

#### 4.1 Presentation and Interpretations of Findings

#### 4.1.1 Gender of the Respondent

The researcher classified the respondents into two groups based on gender; this was to obtain responses from both male and female respondents and to enhance gender distribution. The results obtained were then presented in table 4.1.

	Frequency	Percent
MALE	106	43.3
FEMALE	139	56.7
Total	245	100

#### Table 4.1 Gender of the Respondents

The study findings revealed that 43.3% of the respondents were male and 56.7% of the respondents were female. This implies that both male and female respondents participated in the study.

#### 4.1.2 Age of the Respondents

The researcher used the respondents' age groups in order to find answers to the questionnaire; this was to establish answers from different age groups so as to avoid age biasness across the different age groups. The findings were then represented in table 4.2:

Age	Frequency	Percentage	
20-30 years	16	6.5	
31-38 years	82	33.5	
39 - 46 years	131	53.5	
47 years and above	16	6.5	
Total	245	100	

**Table 4.2Ages of the Respondents** 

#### Source: Field work (2014)

The study results indicated that the respondents aged between 39 - 46 years were 53.5% of the total respondents. Those aged between 31-35 were 33.5%, those between 20 - 30 years were 6.5%, and another 6.5% were between 47 years and above. This implies that the researcher was able to get views from respondents of all ages.

#### **4.1.3 Experience of the Respondents**

The researcher sought information from the experience of the respondents, and classified the respondents into different categories based on their level of experience in the sector this was to obtain responses from all the levels of experience. The findings were then presented in table 4.4;

 Table 4.4 Experience of the Respondents

Work Experience	Frequency	Percentage	
Less than 5 years	105	42.9	
6–10 Years	67	27.3	
11 – 15 Years	50	20.4	
Over 15 years	23	9.4	
Totals		100	

Source: Field Work (2014)

The study findings revealed that 42.9% of the respondents had experience of less than 5 years, while 27.3% had experience of between 5 - 10 years. 20.4% had experience of between 11 -15 years, and 9.4 % of the respondents had experience of above 15 years.

#### 4.1.4 Levels of Education

The researcher classified the respondents into different categories based on the levels of educational backgrounds this was to obtain responses from all the levels of education. The findings were then presented in table 4.3;

Education levels	Frequency	Percentage				
Diploma	123	50.2				
Degree	62	25.3				
Masters	52	21.2				
Other	8	3.3				
Totals	245	100				
Source: Field work (2014)						

#### **Table 4.3 Levels of Education**

#### Source: Field work (2014)

The study findings revealed that 50.2% of the respondents are diploma holders, 25.3% are degree holders, 21.2% are master's holders and 3.3% had other qualifications.

4.1.5 How Salaries of the Employees influence employee performance in the MTRH

The researcher sought to establish the levels of employee's salaries influence employee performance in health care systems in Kenya; the findings are as illustrated in table 4.5:

#### **Table 4.5: Salaries of Employees**

Key: SD – Strongly	Disagree,	D – Disagree	UD – undecided,	A – agree, SA –
Strongly Agree				

		SA	А	UD	D	SD	Т	М
Better pay motivates employees	F	83	142	5	14	1	245	4.19
to work harder	%	25.71	57.96	2.04	5.71	0.41	100	83.83
Good pay keeps employees	F	63	125	12	28	17	245	3.77
focused	%	25.71	51.02	4.90	11.43	6.94	100	75.43
Level of Pay contributes to	F	64	134	18	21	8	245	3.92
employees satisfaction	%	26.12	54.69	7.35	8.57	3.27	100	78.37
Other financial benefits such as	F	57	119	38	21	10	245	3.79
retirement schemes contributes								
to employees satisfaction	%	23.27	48.57	15.51	8.57	4.08	100	75.67

#### Source: Field work (2014)

The study findings revealed that 83.83% (mean= 4.19) of the respondents agreed that better pay motivates employees to work harder, while 78.37% (mean= 3.92) strongly agreed that the level of Pay contributes to employees satisfaction. Furthermore, 75.67% (mean= 3.79) of the respondents strongly agreed that other financial benefits such as retirement schemes contributes to employees satisfaction and 75.43% (mean= 3.77) of the respondents strongly agreed that good pay keeps employees focused. From the findings majority of the respondents agreed that better pay motivates employees to worker harder.

This study concurs with a study by Fox, (2007) who argues that compensation which includes direct cash payment, and indirect payments in the form of employee salaries, benefits and incentives to motivate employees to strive for higher levels of productivity is a critical component of the employment relationship. He added that compensation is affected by forces as diverse as labor market factors, collective bargaining, government

legislation and top management philosophy regarding pay and benefits. A good compensation package is a good motivator. Hence, the primary responsibility of the HR manager is to ensure that the company's employees are well paid. Other objectives of compensation include; to attract capable applicants; retain current employee so that they don't quit; motivate employees for better performance; reward desired behavior; ensure equity; control cost; and facilitate easy understanding by all i.e. employees operating manager and HR personnel (Robbins, 2009).

#### 4.1.6 How work environment influence the employee performance in MTRH

The study sought to investigate how work environment influences the employee performance in the health sector. The findings are as illustrated by the table 4.6;

How the work environment		SA	Α	UD	D	SD	Т	Μ
influence the employee								
performance in MTRH								
Good work environment	F	81	91	31	21	21	245	3.78
promotes employee								
commitment to an	%	33.06	37.14	12.65	8.57	8.57	100	75.51
organization								
Good working environment	F	67	98	42	38	1	245	3.80
keeps employees focused	%	27.35	40	17.14	15.51	0.41	100	75.92
	/0							
Better work environment is	F	51	84	24	61	25	245	3.31
essential for employee	%	20.82	34.29	9.80	24.90	10.20	100	66.12
development								
Work environment contributes	F	71	89	12	45	28	245	3.53
to employees job satisfaction	%	28.98	36.33	4.90	18.37	11.43	100	70.61
Sources Field work (2014)								

#### **Table 4.6: Work Environment**

Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

Source: Field work (2014)

The study findings revealed that 75.95% (mean= 3.90) of the respondents strongly agreed that good working environment keeps employees focused, while 75.51% (mean=3.78) strongly agreed that good work environment promotes employee commitment to an organization. Moreover, 70.61% (mean= 3.53) strongly agreed Work environment contributes to employees job satisfaction, and 66.2% (mean= 3.31) strongly agreed that Better work environment is essential for employee development. From the findings it can be concluded that majority of the respondents agreed that good working environment keeps employees focused.

These findings concur with those of Brill (1992) who estimated that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. His study further argues that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups.

Another study by Statt (1994) argues that the modern work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. To achieve high levels of employee productivity, organizations must ensure that the physical environment is conducive to organizational needs facilitating interaction and privacy, formality and informality, functionality and cross-disciplinarily. Consequently, the physical environment is a tool that can be leveraged both to improve business results and employee well-being. Ensuring adequate facilities are provided to employees, is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization as well as levels of job satisfaction and the perception of fairness of pay.

# 4.1.7 How staff promotions influence Employee performance in the health sector in Kenya

The study sought to establish the importance of staff promotions in employee Performance: the findings were as illustrated in table 4.7

#### Table 4.7 Influence of staff promotion on employee performance

Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

How staff promotions		SA	А	UD	D	SD	Т	М
influence staff retention in the								
Staff promotions motivates	F	67	118	23	31	16	245	3.89
employees to stay with an								
Organization	%	27.35	48.16	9.39	12.65	6.53		77.88
Staff promotions is a key	F	67	88	22	51	17	245	3.56
contributor to employee job								
satisfaction	%	27.35	35.92	8.98	20.82	6.94		71.18
Staff promotions helps the staff	F	71	81	34	49	10	245	3.63
to better understand an								
organization	%	28.98	33.06	13.88	20.00	4.082		72.57
0	F	78	91	22	54	0	245	3.79
health sector look forward to								
promotions	%	31.84	37.14	8.98	22.04	0		75.76

Source: Field work (2014)

The study findings revealed that 77.88% (mean=3.89) of the respondents strongly agreed that Staff promotions motivates employees to stay with an Organization, while 75.76% (mean= 3.79) strongly agreed that Majority of employees in the health sector look forward to promotions. Furthermore, 72.57% (mean= 3.63) strongly agreed that Staff promotions helps the staff to better understand an organization, and 71.18% (mean 3.56) strongly agreed that Staff promotions is a key contributor to employee job satisfaction.

From the table it can be concluded that majority of the respondents agreed that staff promotion motivates staff to stay with an organisation.

The findings of this study concurs with those of Baruch (2004) who argues that an organization's devotion to career oriented practices like internal promotions better training and development opportunities and job security lead to lower turnover. Psychological commitment is greater m workers who have a feeling of being treated as valuable resources instead of being tools to generate profit. Giving employees better career opportunities shows them that they are being valued and thus leads to commitment. It involves making them feel a part of the organization rather than just a cog in the machine. This makes sure that they see themselves at a worthy place in the organization and thus believe that a part of their identity is reflected through this role. Such strong linkages are required to retain employees or the hot market has a lot to offer to experienced employees.

In another study conducted by Bemthal & Wellins (2001), it was revealed that management level jobs have higher employee motivation and retention rates when compared to non management positions as involvement in the organization's decision making processes is higher in management positions. This helps employees to relate to the organization. Further it was revealed that factors that improve retention rates of female employees are slightly different from those that improve retention rates of male employees. When male employees seem to value the clarity of mission communicated by senior management, female employees value factors such as quality of relationship with supervisors, level of trust, cooperation among co-workers, clear understanding of work objectives, and desirability of geographic location. Considering all these factors, employee retention rates were found to be the lowest in the information technology industry (William Pride, 2011). The study revealed that technical staff usually falls under the category of non management employees whose retention rates are more dependent on short term compensations like company responsiveness to individual needs and quality of compensation package. Giving them autonomy and freedom would not serve as highly

motivating factors. Thus factors that affect each class of workers should be studied and be used accordingly to retain employees

#### 4.1.8 How staff trainings influences the staff performance in the MTRH

The researcher sought to establish the role of employee training in staff performance. The results are as illustrated in table 4.8;

#### Table 4.8: staff training and employee performance

## Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

How staff trainings influence		SA	Α	UD	D	SD	Τ	Μ
the staff retention in the								
Employee training develops	F	71	81	32	38	23	245	3.57
employees skills and thus job								
satisfaction	% E	28.98	33.06	13.06	15.51	9.39 26	100	71.35
Employee training shows an	F	82	97	18	31	26		3.84
organization values its	%	33.47	39.59	7.35	12.65	10.61	100	76.73
employee								
Employee training enriches an	F	73	85	12	29	46	245	3.45
organizations working								
environment	%	29.80	34.70	4.90	11.84	18.78	100	68.98
Employee training motivates	F	85	83	14	31	32	245	3.65
employees to stay with an								
organization	%	34.69	33.88	5.71	12.65	13.06	100	72.90
Source: Field work (2014)								

Source: Field work (2014)

The study findings revealed that 76.73% (mean= 3.84) of the respondents strongly agreed that Employee training shows an organization values its employee, while 72.90% (mean= 3.65) strongly agreed that Employee training motivates employees to stay with an organization. Furthermore, 71.35% (mean= 3.57) of the respondents strongly agreed that Employee training develops employees skills and thus job satisfaction and 68.98 %

(mean= 3.45) of the respondents strongly Employee training enriches an organizations working environment.

These findings concur with those of Robbins, (2009) who noted that employee competencies change through effective training programs. It therefore not only improves the overall performance of the employees to effectively perform their current jobs but also enhances the knowledge, skills an attitude of the workers necessary for the future job, thus contributing to superior organizational performance. The branch of earlier research on training and employee performance has discovered interesting findings regarding this relationship. Training has been proved to generate performance improvement related benefits for the employee as well as for the organization by positively influencing employee performance through the development of employee knowledge, skills, ability, competencies and behavior (koonz, 1990; Schermerhorn, 2010; Griffin, 2012). Moreover, other studies for example one by William Pride, (2011), elaborate on training as a means of dealing with skill deficits and performance gaps as a way of improving employee performance. According to Thomas G. Cummings, (1998), bridging the performance gap refers to implementing a relevant training intervention for the sake of developing particular skills and abilities of the employees and enhancing employee performance. He further elaborate the concept by stating that training facilitate organization to recognize that its workers are not performing well and a thus their knowledge, skills and attitudes needs to be molded according to the firm needs. It is always so that employees possess a certain amount of knowledge related to different jobs. However, it is important to note

#### 4.1.9 Employee performance

The study sought to establish the level of importance of employee performance to an organisation. The findings are as illustrated in table 4.9:

#### Table 4.9: Employee performance

Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

Employee Performance		SA	Α	UD	D	SD	Т	Μ
Improved employee	F	81	82	18	38	24	245	3.62
performance helps an								
organization serve its customers	%	33.06	33.47	7.35	15.51	9.80	100	72.41
better								
Better employee performance	F	87	94	21	29	14	245	3.86
saves an organization the cost of								
recruiting new employees	%	35.51	38.37	8.57	11.84	5.71	100	77.22
Improving employee	F	79	98	31	24	13	245	3.84
performance makes an								
organization efficient	%	32.25	40	12.65	9.80	5.31	100	76.82
Employee performance is high	F	87	128	4	26	0	245	4.13
when employees are motivated								
	%	35.51	52.24	1.63	10.61	0	100	82.53

#### Source: Field work (2014)

The study findings revealed that 82.53% (mean= 4.13) of the respondents strongly agreed that Employee performance is high when employees are motivated, while 77.22% (mean= 3.86) strongly agreed that better employee performance saves an organization the cost of recruiting new employees. Furthermore, 76.82% (mean= 3.84) of the respondents strongly agreed that Improving employee performance makes an organization efficient and 72.41% (mean= 3.62) of the respondents strongly agreed that Improved employee performance helps an organization serve its customers better.

These findings are in agreement with those of Boyens (2007) who argues that it is important for the leader to know what motivates each individual. If unsure, find out by

asking the employees. The leader should get to know the employees as people before getting to know them as employees. This knowledge will help the leader to recognize and reward them individually. Capotondi (2002) states that the organizations responsibility is to recruit, organize, reward, communicate and windup in a way that is functional. It is crucial with adaptation for the company to be profitable. A leader needs to know his/her employees and understand that not everyone is like-minded.

#### 4.2 Regression Analysis

		Ν	Iodel Summ	narv		
		141				
			Adjusted	Std. Error of		
Model	R	R Square	R Square	the Estimate		
1	.719 <sup>a</sup>	0.518	0.509	0.57509		
a. Predic	ctors: (Constant),	D, A, C, B				
			ANOVA <sup>b</sup>		I	•
		Sum of				
Model		Squares	Df	Mean Square	F	Sig.
1	Regression	84.429	4	21.107	63.82	.000 <sup>a</sup>
	Residual	70 714	238	0.221		
		78.714		0.331		
	Total	163.144	242			
a. Predic	ctors: (Constant),	Salaries, Pror	notion, Train	ning, and Work e	nvironment	
b. Deper	ndent Variable: E	mployee perfe	ormance			
			Coefficient	s <sup>a</sup>		
		Unstandard	ized	Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	Т	Sig.
1	(Constant)	-0.527	0.358	Deta	-1.474	0.142
1	(Constant)	-0.327	0.550		-1.7/7	0.142
	Salaries	0.294	0.062	0.214	4.733	0.000
	Promotion	0.394	0.059	0.306	6.626	0.000
	Training	-0.091	0.063	-0.065	-1.433	0.153
	Work	0.779	0.064	0.564	12.192	0.000
	Environment					
a. Deper	ndent Variable: E	mployee perf	formance			

#### Table 4.10 Regression model

Source: Field Work (2014)

There is significant relationship between salaries as an employee motivation factor and Employee performance. This relationship can be explained by the fact that most people seek jobs for financial gain and therefore better pay motivates them to keep working. The aim of compensation is to attract competent employees, to retain them and to motivate them to achieve the aims of the organization or employer. Some decades ago the employee benefits were hardly considered to be part of the employee's compensation. Benefits were privileges and not rights. Today it is the size and extent of the package that is one of the contributory factors in deciding whether to join or exit the organization.

These findings concur with Studies conducted by Tetty (2005) have indicated that dissatisfaction with salaries is a key factor undermining the commitment of academics to their institutions and careers, and consequently their decision or intent to leave. Therefore, this suggests that employers need to realize that if incentives and working conditions are not are not improved and exit may become one of the options for them. The employees will look for another job that is going to better their salaries. It is unfortunate that the provincial health department is not in a position to determine employee salaries as a result of this competency being centrally determined in the public service.

The Gallup Organization conducted an extensive study of 80,000 managers to analyse the factors contributing to the quality of the workplace. The study finds that employee satisfaction and job retention can be achieved through remuneration. Out of 12 dimensions employed in the survey, employee remuneration third. Urichuk (1999) argues that employee turnover is due to a lack of proper employee remuneration and reward, and points out that better remuneration helps in retaining the sincere employee and saves time and money to recruit new people and it also encourages other workers to do a good job. Hard to believe, yet motivation is achieved through better remuneration.

From regression analysis there is significant relationship between employee promotion as a motivating factor and employee performance. Employee promotions and job advancement is one of the most common reasons an employee gives for leaving an organization, according to McCabe, Feiock, Clingermayer and Stream (2008). Employees may change jobs for reasons of professional and personal advancement, or to join an employer who provides more attractive pay packages as well as career growth.

These findings are in agreement with those of Duffy and Stark (2000) who reveal that frustration and a desire to quit have relevance to low positive affectivity, and are related strongly and negatively to job satisfaction. Commitment towards the organization is degraded if there is a perception of underhanded methods in promotion activities. Bayt.com shows that 51% of the people who completed their on-line survey expressed dissatisfaction with their professional and personal growth in Saudi organizations. A similar study conducted in another Arab culture concludes that employees demonstrate greater levels of satisfaction and commitment if they are given ample opportunity for personal as well as professional growth in their organization (Taylor, 2002).

From the regression analysis there is significant relationship between employee's working environment as a motivating factor and employee performance. A widely accepted assumption is that better workplace environment motivates employees and produces better results. Office environment can be described in terms of physical and behavioral components. These components can further be divided in the form of different independent variables. An organization's physical environment and its design and layout can influence employee behavior in the workplace. Brill (1992) estimates that improvements in the physical design of the workplace may result in a 5-10 percent increase in employee productivity. Hay Group (2007), contends that work environment includes a friendly, well-designed, safe physical space, good equipment and effective communication, which will improve productivity. Well-designed and organized offices and work areas make significant differences to how people feel about their work. Working environment can give some depressing messages about how much the organization value employees and the standards it expects from them. An independent study conducted by the Society for Human Resource Management, demonstrated that physical work environment contributes a major factor affecting the decision of employee's whether to stay or leave the job. Access to friendly and natural environment

helps to reduce job stress, depression and apprehension which are beneficial for health environment as well.

These findings are similer to those of Stallworth and Kleiner (1996) who argue that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argue that innovative workplaces can be developed to encourage the sharing of information and networking regardless to job boundaries by allowing communication freely across departmental groups.

Extensive scientific research conducted by Roelofsen (2002) has also yielded indications suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity. The indoor environment has the biggest influence on productivity in relation to job stress and job dissatisfaction. As suggested by Govindarajulu (2004), in the twenty-first century, businesses are taking a more strategic approach to environmental management to enhance their productivity through improving the performance level of the employees. It is evident in the research findings of Patterson et al., (2003) that the more satisfied workers are with their jobs the better the company is likely to perform in terms of subsequent profitability and particularly productivity.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### **5.1 Summary of the Findings**

#### 5.1.1 How Salaries of the Employees influence Staff Motivation in the MTRH

The study findings revealed that 83.83% (mean= 4.19) of the respondents strongly agreed that better pay motivates employees to work harder, while 78.37% (mean= 3.92) strongly agreed that the level of Pay contributes to employees satisfaction. Furthermore, 75.67% (mean= 3.79) of the respondents strongly agreed that other forms of financial benefits such as retirement schemes contributes to employees satisfaction and 75.43% (mean= 3.77) of the respondents strongly agreed that good pay keeps employees focused.

#### 5.1.2 How work environment influences the staff Motivation in the health sector

The study findings revealed that 75.95% (mean= 3.90) of the respondents strongly agreed that good pay keeps employees focused, while 75.51% (mean=3.78) strongly agreed that good work environment promotes employee commitment to an organization. Moreover, 70.61% (mean= 3.53) strongly agreed Work environment contributes to employees job satisfaction, and 66.2% (mean= 3.31) strongly agreed that Better work environment is essential for employee development.

#### 5.1.3. How staffs promotions influence staff Motivation in the health sector in Kenya

The study findings revealed that 77.88% (mean=3.89) of the respondents strongly agreed that Staff promotions motivates employees to stay with an Organization, while 75.76% (mean= 3.79) strongly agreed that Majority of employees in the health sector look forward to promotions. Furthermore, 72.57% (mean= 3.63) strongly agreed that Staff promotions helps the staff to better understand an organization, and 71.18% (mean 3.56) strongly agreed that Staff promotions is a key contributor to employee job satisfaction

## **5.1.4** How staff trainings influences the staff Motivation in the private health sector in Kenya

The study findings revealed that 76.73% (mean= 3.84) of the respondents strongly agreed that Employee training shows an organization values its employee, while 72.90% (mean= 3.65) strongly agreed that Employee training motivates employees to stay with an organization. Furthermore, 71.35% (mean= 3.57) of the respondents strongly agreed that Employee training develops employees skills and thus job satisfaction and 68.98 % (mean= 3.45) of the respondents strongly Employee training enriches an organizations working environment.

#### 5.1.5 Employee Performance

The study findings revealed that 82.53% (mean= 4.13) of the respondents strongly agreed that Employee performance is high when employees are motivated, while 77.22% (mean= 3.86) strongly agreed that better employee performance saves an organization the cost of recruiting new employees. Furthermore, 76.82% (mean= 3.84) of the respondents strongly agreed that Improving employee performance makes an organization efficient and 72.41% (mean= 3.62) of the respondents strongly agreed that Improve the respondents strongly agreed that performance helps an organization serve its customers better.

#### **5.2 Conclusions**

Keeping employees motivated is a challenging prospect, hence the many theories of motivation that have been developed over many years. Motivation is a complex dynamic, due to the fact that people behave differently when faced with the same challenges under similar circumstances.

It is important however to continuously measure employee motivational levels to proactively anticipate areas of concern that might lead to a decline in the levels of motivation within the organisation, which could have an adverse effect on the profitability of the organisation due to reduction in overall productivity and performance.

The main purpose of this study was to evaluate the extent to which employees at MTRH is motivated. Certain areas of concern were identified during the empirical study, which

the researcher analyzed and offered several recommendations aimed at improving the overall levels of motivation within the organization.

#### **5.3 Recommendations**

After analyzing the results from the previous chapter it becomes obvious that there are certain areas that Accenture needs to improve in order to improve the level of organizational commitment. Based on the research the following recommendations can be put forward to Accenture:

#### Salaries

According to literature, salary is a factor and not a motivator and although the literature revealed that hygiene factors cannot motivate employees, they can lead to employee dissatisfaction if these factors are not adequately provided for. Therefore it remains important not to neglect any of the hygiene factors. The study has concluded that job characteristics, ranked as the 2nd most important factor of motivation, and working conditions, which are both hygiene factors, are more than adequately provided for by the organisation. Research also revealed that employees will compare their salaries with their peers to establish if they are fairly or equitably rewarded. Often they make assumptions that are inaccurate. The researcher is of the opinion that this can be prevented, to a large extent, if the organisation is more transparent about salaries. Creating pay grades for each job title, which employees are familiar with, will prevent employees from making inaccurate assumptions regarding their salaries. Annual salary increases should be inflation related. It is recommended that exceptional performance is not rewarded through salary increases, but rather by bonus or incentive schemes. Rewards should be transparent and the basis of distributing rewards should be communicated to the entire organisation.

Management need to ensure that staff salaries are reviewed annually to ensure that staff wages are market related. These statistics should also be made available to the entire organisation. It is important to remember that the cost of replacing a trained individual is far greater than the cost of retaining an existing one; therefore, ensuring that employees are paid fairly is vital for staff retention. The researcher is of the opinion that constant

communication between management and employees is essential to prevent dissatisfaction caused by inaccurate assumptions. Employees should be encouraged to have discussions with management if they have any remuneration related concerns.

#### **Opportunity for promotions, advancement & growth**

Opportunity for advancement and growth is critical to employment development. The organization's commitment toward equal opportunity is important to create a sense of fairness among employees. Promotion through the ranks, rather than external appointments should be the preferred method of recruitment. Employees should be prepared for the next level through ongoing training and development and mentorship programs. Future expansion plans within the organization should be communicated to employees to prevent employees from being de-motivated by their lack of awareness of future opportunities. Employees should also be allowed to apply for positions that arise in related party ventures.

#### **Training & Development**

The organization should consider appropriate programs for employee development which is important to unlock employee potential. The findings of the study suggests that employees wants the organization (MTRH) to support and encourage more employees to study to further their careers and enhance their skills and abilities. The benefits of developing individuals, in order to work smarter rather than harder, far outweigh the costs of training and development. Enhancing employees' skills will greatly enhance the employees' expectation that their effort will lead to desirable performance. This is an important element of the Porter and Lawler model of motivation. Effort cannot lead to performance if the skills and ability to transfer input into valuable output is absent.

To enhance on-the-job training, the organization also needs to consider the appointment of a dedicated fulltime training officer. It is vital that employees are continuously developed in all areas of their jobs. Employees should be monitored to identify areas where improvement is required and appropriate training should be introduced to enhance their abilities, which will also enhance the possibility of future advancement within the organisation.

The training officer can also be responsible for creating e-training. This could consist of exercises, aimed at enhancing skills, which employees can complete on the organisation's intranet. Employee scores can be made available to the rest of the organisation and it could be promoted as an internal competition.

A job rotation program, which involves moving employees from one job to another, should also be considered. The advantages related to job rotation include increased worker flexibility and easier scheduling due to the fact that employees are cross-trained to perform different jobs within the organisation. This will also ensure that employees gain a broader perspective of the organisation.

Employees should also be engaged to establish their training needs. Employees use a variety of computer software programs. Their abilities should be measured and training should be provided if required. This will not only enhance the skills of the employee, but could enhance the quality of their work and could improve productivity if they are trained to use these software packages more effectively.

#### **Work Environment**

The focus of organizations must be on how to provide better jobs with great work environment to motivate employees. The key to motivating employees is to create an environment employees choose to work in and will stay given the availability of other job opportunities (Winterton, 2011). Organizations can create the necessary environment by meeting the needs of current and future employees. Communication and recognition to employees are essential factors in retaining employees. Organizations must be able to communicate their past, present, and future plans to employees so they are secure with the strength and stability of the organization. Research shows that organizations that are transparent and involve their high performing employees in finding solutions will be able to retain these individuals during downturns in the economy (Ongori, 2008).

#### **5.4 Suggestions for Further Research**

The researcher recommends that the organisation conducts a study where the employees' performance levels are measured and compared with the results from this study. The aim of such a study would be to establish if a relationship exists between the levels of employee performance and the levels of employee motivation.

The researcher further recommends that the levels of motivation of the other functional departments are also measured. Findings from this study could be compared with the findings from the current research to identify if significant differences exist in the employees' levels of motivation within the different functional departments. The study could be extended to also include an investigation to establish if people from different cultures and age groups are motivated differently.

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## **APPENDICES**

## **APPENDIX 1: INTRODUCTION LETTER**

Dear Recipient,

My name is **David Kibet Cheboi**. I am carrying out my research study on TOPIC: INFLUENCE OF EXTRINSIC MOTIVATION ON EMPLOYEE'S PERFORMANCE IN MOI TEACHING AND REFERRAL HOSPITAL ELDORET, KENYA. This questionnaire is meant to aid data collection for my study.

I trust that you will have time to read through the questionnaire and answer the question contained therein by either ticking or writing a brief statement where appropriate. The given information will be analyzed so that single opinions cannot be personalized. The information provided will be treated with strict confidentiality for the purpose of this study only.

Thank you for your co-operation.

Yours sincerely,

DAVID KIBET CHEBOI

## APPENDIX II: QUESTIONNAIRE FOR EMPLOYEES OF MTRH

The questionnaire is made up of two sections A and B. Please answer each question by writing on the spaces provided or tick ( $\sqrt{}$ ) against the boxes provided. The information provided will be used for the purpose of this research only; therefore do not write your name on the answer sheet.

## SECTION A: BACKGROUND INFORMATION

- 1. What is your age bracket?
  - [ ] 20-30 years
  - [] 31-38 years
  - [] 39 46 years
  - [ ] 47 years and above
- 2. What is your work experience?
  - [] Less than 3 years
  - $\begin{bmatrix} 3 5 \text{ Years} \end{bmatrix}$
  - [ ] 5 10 Years
  - [] Over 10 years
- 3. What is your education level?
  - [] Diploma
  - [] Degree
  - [] Masters
  - [ ] Other (specify) \_\_\_\_\_

## SECTION B SPECIFIC INFORMATION

5. In your own opinion to what extent do you agree with the following sentiments on the how salaries of the employees affect staff performance in the MTRH

Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

How Salaries of the employees influences staff	SD	D	UD	Α	SA
performance in the MTRH					
Better pay motivates employees to work harder					
Good pay keeps employees focused					
Pay contributes to employees satisfaction					
Better pay leads to employee commitment to an organization					

Other

Specify\_\_\_\_\_

5. In your own opinion to what extent do you agree with the following on how work environment influences the staff performance in the MTRH

Key: SD – Strongly	Disagree,	<b>D</b> –	Disagree,	UD –	undecided,	A –	agree,	<b>SA</b> –
Strongly Agree								

How the work environment influences the staff	SD	D	UD	Α	SA
performance in MTRH					
Good work environment promotes employee commitment					
to an organization					
Better work environment promotes better work					
relationships					
Better work environment is essential for employee					
development					
Work environment contributes to employees job					
satisfaction					

## Other

Specify\_\_\_\_\_

8. In your own opinion to what extent do you agree with the following sentiments on how staff promotions influences staff performance in MTRH

# Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

How staff promotions affect staff retention in the private health	SD	D	UD	Α	SA
sector in Kenya					
Staff promotions motivates employees to stay with an					
Organization					
Staff promotions is a key contributor to employee job					
satisfaction					

Staff promotions helps the staff to better understand an			
organization			
Majority of employees in the health sector look forward to			
promotions			

Other

Specify\_\_\_\_\_

9. In your own opinion to what extent do you agree with the following sentiments about how staff trainings influences the staff performance in the MTRH

# Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

How staff trainings affect the staff performance in MTRH	SD	D	UD	Α	SA
Employee training develops employees skills and thus job					
satisfaction					
Employee training shows an organization values its employee					
Employee training enriches an organizations working					
environment					
Employee training motivates employees to stay with an					
organization					
Other					

Specify\_\_\_\_\_

## **SECTION C: DEPENDENT VARIABLE**

7. In your own opinion to what extent do you agree with the following sentiments on Employee performance?

# Key: SD – Strongly Disagree, D – Disagree, UD – undecided, A – agree, SA – Strongly Agree

Employee Retention	SD	D	UD	Α	SA
Improved employee performance helps an organization serve its customers better					
Better employee performance saves an organization the cost of recruiting new employees					
Improving employee performance makes an organization efficient					
Employee performance is high when employees are motivated					

Other

Specify\_\_\_\_\_