COMPENSATION MANAGEMENT, EMPLOYEE VOICE AND QUALITY SERVICE DELIVERY IN COUNTY REFERRAL HOSPITALS IN NORTH RIFT REGION, KENYA

BY

CHERONO LILY KITUR

A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY DEGREE IN HUMAN RESOURCE DEVELOPMENT, DEPARTMENT OF MANAGEMENT SCIENCE AND ENTREPRENEURSHIP SCHOOL OF BUSINESS AND ECONOMICS,

MOI UNIVERSITY

2021

DECLARATION

Declaration by the Candidate

This thesis is my original work and has not been presented for any degree or in any university. The whole of it should not be reproduced by any other person without the permission of the author and or Moi University.

_____ _____

Cherono Lily Kitur Date

SHRD/PHDH/01/15

Declaration by Supervisors

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

_____ _____

Prof. Joshua Kwonyike Date

Department of Management Science and Entrepreneurship

School of Business and Economics

_____ _____

Dr. Pacifica Mining Date

Department of Gender and Development studies

School of Arts and Social Sciences

DEDICATION

I specifically dedicate this thesis to my wonderful children; Valerine Chelangat, Samantha Chepkirui and Pachomius Kipkirui. I encourage you to work hard and follow suit. Finally, I dedicate this Thesis to my Late Father-in-Law, Mr. Francis Tesot (RIP). Thanks for his wise, motivating and encouraging words that made me pursue this Ph.D. course.

ACKNOWLEDGEMENT

I appreciate and acknowledge my research supervisors Prof. Joshua Kwonyike and Dr. Pacifica Mining for their invaluable advice, guidance, patience and encouragement throughout the period of thesis writing. My gratitude goes to my lecturers of Human Resource Management who guided me through the study and my classmates 2015, Human Resources Management D. Phil Class. I'm indebted to my colleagues, friends, lecturers and staff of Moi University for their guidance and/or support. Lastly, many thanks go to all other people out there who contributed directly or indirectly towards the accomplishment of this thesis. God bless you all.

ABSTRACT

Health is vital for the survival of any human beings. Health service delivery is of paramount importance for a healthy citizenry. Employee unrest has been witnessed in health care facilities and this has affected service delivery in public hospitals. In most cases, the public health workers strike is aggravated by lack of implementation of collective bargaining agreement signed in 2013 and the key issue raised was compensation and working environment. The stakeholders involved seems to be doing very little to arrest the situation that has jeopardized service delivery in public hospitals across the country. The purpose of this study was to establish the mediating effect of employee voice on the relationship between compensation management and quality service delivery in county referral hospitals in North Rift Counties. The specific objectives of the study were to: determine the effect of direct compensation on service delivery; examine the effect of indirect compensation on service delivery; identify the influence of non-financial compensation on service delivery and to assess the mediating effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region. This study was informed by Expectancy Theory, Social Exchange Theory and Goal Setting Theory. The study was guided by pragmatist paradigm and explanatory research design. The target population comprise of 481 health staff working in the eight North Rift County referral hospitals. The sample size was 218 health staff. Stratified, purposive and simple random sampling techniques was used to select the respondents. Data was collected using questionnaire and interview schedule. Questionnaire were analyzed using descriptive and inferential statistics, while interviews schedule analyzed through content analysis. Linear regression model and Process *macro* procedure was used to test hypotheses. The findings of the study were presented in form of tables. The results indicated that there was significant effect of direct compensation (β_1=0.162, p<0.05), indirect compensation (β_2=0.262, p <0.05) and non-financial compensation (β_3=0.285, p <0.05) on service delivery. The effect of compensation management on service delivery in health facilities controlling for employee voice was significant, [β = 0.279, p = <.000]. Controlling for the employee voice (mediator), compensation management was significant predictor of service delivery in health facilities, [c' = 0.279, t (198) = 6.55] and this confirmed the presence of partial mediation. The study concluded that direct compensation, indirect compensation and non-financial compensation had a significant influence on service delivery. The employee voice partially mediates the relationship between compensation management and quality service delivery in county referral public hospitals in North Rift Counties. The study recommends that county government should consider reviewing the salary pay of their employees and promoting them by changing their job roles. The study recommends that management provides job training for their employees. The study will be significant to the County and National Government in streamlining policies and legislations on compensation management and provision of quality service delivery in the health sector.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

DEFINITION OF TERMS

Compensation management is one of the central pillars of human resources management (HRM) linked with the formulation and implementation of strategies and policies that aim to compensate people practically, justifiably and constantly in agreement with their worth to the organization (Armstrong, 2005). In this study it included direct, indirect compensation and non-financial compensation.

Compensation; is the monetary and non-monetary pay provided to an employee by an employer in return for work performed as required (Khan, Aslam & Lodhi 2011). Public hospitals use compensation management to find, keep and motivate employees to do quality work

Direct compensation: It is the monetary benefit paid by the firm to its employee in exchange of the service they offered or work done (Kappel, 2012). In this study it refers to monetary benefits for a specific period like an hour, a week, a month or a year. It is inform of salaries, wages, bonuses and commissions and is paid on regular basis.

Employee voice: is open communication of ideas, suggestions, concerns, or opinions about work-related issues with the intent to improve employee performance and successful organization.

Indirect compensation: is the financial rewards that form part of psychological contract between employee and employer and are not included in direct compensation; it has a monetary value but is not a direct financial payment (Mike 2012). In this study it comprises of accommodation, transportation, medical cover and retirement plan

Non-financial compensation is the satisfaction an employee gets from his work environment and does not have any monetary value. It can be emotional or psychological satisfaction which makes the job more enjoyable and satisfying (Mike 2012). In this study is comprised of working conditions, career development, opportunities for recognition, advancement opportunities and work life balance help to improve employee service delivery.

Service delivery in this study context means the process of offering needed assistance to the patient from admission until discharge, both in and outpatient services including the process of discharge from hospital as per the opinion of service providers and the patients.

Quality Service Delivery: is defined by International Organization for Standardization (ISO) as a relative concept and in most cases where inherent characteristic of a service meets the requirements of patient, then it can be rated as high in quality (Reinartz, Krafft & Hoyer, 2004). In this study, it is the provision of expected deliverables as dictated by time, quality and scope of recipients.

LIST OF ABBREVIATIONS

CBAs Collective Bargaining Agreement

CMIE Centre for Monitoring Indian Economy

COR Code of Regulations

ESO Executive stock options

GTZ German Technical Cooperation,

HRH Human resource for Health

HRIS Human resource information systems

HRM Human resource management

KMPPDU Kenya Medical Practitioners Pharmacists and Dentists Union

KNH Kenyatta national Hospital

MOH Ministry of Health

NGO Non-governmental Organization

OECDHS Organization for Economic Cooperation and Development Health Statistics

OECD Organization for Economic Cooperation and Development

PHC Primary Health Care

PSCG Private Sector Corporate Governance Trust

SHRM Strategic human resource management

WHO World health Organization

CHAPTER ONE

1.0 Introduction

This chapter presents the background of the study, statement of the problem, objectives of the study, hypotheses, justification and significance for the study, scope and limitation of the study.

1.1 Background of the Study

A service is delivered if customers know what it is and what to expect from it, scope and operations. To deliver a quality service is to provide and deliver spontaneously with minimal delay (Srimai, (2013). Service delivery is the quality and availability of a specified service. Stuart, (2011) acknowledges that quality service delivery has been receiving much prominence of late due to its relationship with costs, financial performance, customer satisfaction and customer retention. Delivering quality health care service consistently creates and fosters in the patient the feeling of being cared for and leads to patient satisfaction and loyalty.

Quality Service can be assessed using various aspects including but not limited to patient satisfaction with physicians and nurses, their quality, overall cleanliness of facilities, overall administration and all technical services offered. Increasingly, organizations are realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the employee. Establishing this balance is one of the main reasons for reward strategies (Aslam, Ghaffar, Talha & Musthaq 2015).

Like in most developed countries, managing public health in USA is characterized by emphasis on performance and improving quality of healthcare. In order to attain these critical indicators, public health management is fully equipped with the necessary

resources and management skills (Nembhard, Alexander, Hoff and Ramanujam, 2009). The hospitals personnel are more equipped with the management skills that enable them to efficiently manage resources and provide evidentiary basis for determining patient, clinician, and organizational outcomes (Nembhard et al., 2009).

In other words, the health professionals are well capacitated to enable them improve the patient services health outcomes. In USA, healthcare is managed and is intended to reduce the cost of health benefits while at the same time improving the quality of care. The need for improvement of care in the public health sector has continuously grown rapidly during the 21st century, and has led to competition in the healthcare industry (Berenson and Cassel, 2009). With this competition, patient satisfaction, quality of service, and efficient management of resources are providing the evidence for measuring patient, clinician, and organizational outcomes (Scotti, Harmon & Behson, 2007).

An organization should know why its employees come to work on time, stay with the organization for their working life and remain productive and provide quality service (Gyimah, 2011). Understanding the role of different reward strategies on employee's performance can assist human resource managers in designing and implementing an effective reward strategy that gave an organization a competitive edge (Ndungu & Kwasira, 2012). One way used by management to improve service delivery, to motivate and to increase employees' job satisfaction is through compensation (Walela & Okwemba, 2015). Employees receive compensation in accordance with the sacrifice that has been given. Employee compensation is an important factor in performance of any organization (NnajiIhedinmah & Egbunike, 2010).

Ciarniene and Vienazindiene (2010) defined compensation as all the forms of financial or monetary pay, services and benefits that workers get for their contribution to an organisation. Reward could be paid to workers directly in the form of cash (wages, incentives, cost of living adjustments) or indirectly through benefits and services (pensions, health insurance, paid time off). Greater job satisfaction resulting from job rewards ensures employees focus on their tasks thereby increasing their productivity (Muchiri, 2016). Compensation is job rewards to employees and includes salary given to employees, bonuses and commissions advance to employees.

One of the crucial aspects in managing an organization is the compensation management. It is a process by which employees are being remunerated for their input at their workplace (Khan, Aslam and Lodhi, 2011). Compensation management is an integral part of a human resource management approach to managing people, and as such it supports the achievement of the business strategy and is concerned with developing a positive employment relationship and psychological contract, to address longer term issues relating to how people should be valued for what they do and what they achieve (Sisson, 2010; Musenze, Thomas, Stella & Muhammadi, 2013).

Compensation embraces both financial and non-financial rewards, and thus all these need to be considered and integrated in order to maximise the effectiveness of reward policies and practices (Armstrong, 2003). Compensation management is said to be the function of HRM that deals with every type of reward individual receive in exchange for performing the organisations tasks. DeNisi and Griffins (2008) expressed that compensation management is a set of rewards that organizations provide to individuals reciprocally for his or her temperament to perform varied jobs and tasks inside the organization. The objective of compensation management is to create a system of

rewards that is equitable to the employer and employee alike (Mujtaba and Shuaib, 2010; Agwu, 2013). The desired outcome of compensation management is an employee who is attracted to the work and motivated to do a good job for the employer, reduce labour turnover and reduction in industrial conflict.

Compensation management goes beyond the issue of money, as it also covers non-financial compensation which provides intrinsic or extrinsic motivation (Bob, 2011; Aguinis, Joo & Goltfredson, 2013). Compensation management is one of the difficult processes that needs accuracy and exactness and if not done carefully may lead to organisational concern. The link between compensation management and organisational service delivery, is to help the firm to set the standards, reduce the labour turnover as well as retaining the best hands (Groblar, Wärnich, Carrell, Ellbert and Hatfield, 2011). The issue of compensation management is an apparatus, which affects the decision of job applicants and employees within the organization. Improvement of employees' service delivery is not only through financial compensation alone but also through non-financial compensation.

Maslow's theory of motivation by the Ndung'u & Kwasira (2012) explains that financial compensation is only effective to improve the performance, especially for employees who are new to the work and those at a lower level. But for long-time employees working at middle to upper levels, they actually require more non-financial compensation. Compensation management is a global phenomenon that determines the hiring and retention of employees to attain the objectives of an organization as well as that of an individual employee, also used as a means of control and is the basis of involvement of individuals (Greckhamer, 2011; Xavier, 2014).

The health facilities had been undergoing tremendous transformation globally. Health facilities reform was a process that sought major changes in national health policies, programmes and practices through changes in priorities, law, regulations organizational structure whose main aim was to improve quality and efficiency of employees and service (World Bank, 2012). Globally in North American Cox, Brown and Reilly (2010) found that the compensation strategy has greatly influenced the reward system in many parts of Europe especially UK. The value-based rewards are noticeable rewards emerging from exchanges between the pioneer and staff with respect to pay and edges. According to Liu & Wang (2007), in China and Philippines staff members who performed similar jobs were paid differently because some continued to be administered by the central government while others were paid by the local government.

In Iraqi Kadhim (2017) did a study on relationship between compensation strategy and reward management on organizational performance on Iraqi Oil Companies and found out that compensation plays a vital role to organizations success and performance. Arul and Jayaraman (2013) noted that Indians prefer job security to high compensation. This makes them to work for public sector enterprises and government institutions. However, the fashionable kids favour to be part of IT and repair sectors although several of them still have an interest on the government jobs. The key factors chargeable for this are job security, relaxed work and social insurance measures.

On the other hand, the personal corporations rather than moving on the potency line alone have thought of job security as a live to retain the young and proficient in Indian corporations (Arul, and Jayaraman, 2013). In Asian nation, Khan, Aslam & Lodhi (2011) studied 450 Habib Bank restricted staff and noted that compensation management aims to encourage and retain staff to reinforce the general effectiveness

and potency of an organisation. In Asian nation, the most aim of compensation schemes is to confirm productivity at both the organization level and individual level. The study established that the higher the compensation strategy the higher the performance and reduced turnover.

Regionally, middle income countries face real shortage of drugs and medical supplies for healthcare services posing a challenge in provision of health care thereby contributing to poor quality health services and a further leading to increased mortalities (Tumwine, Kutyabami, Odor and Kalyango). It is estimated that almost 99% of all deaths due to inappropriate equipment and drugs occur in developing countries especially in the rural areas. Adequate health services involving emergency care to the public could lead to drastic reduction in such deaths.

Most countries in sub-Saharan Africa still finds it complicated to access essential medical items thereby compromising provision of timely care to the patients (Tumwine et al., 2010). Nigeria being part of the global world, compensation management also plays a vital role in motivating employees to work harder in order to accomplish the set goals of the organisation (Odunlade, 2012). The reformed programmes of the government have no corresponding and significant effect on the financial compensation policies and practices in the public sector in Nigeria due to improper compensation management.

Idemobi, Onyeizugbe and Akpunonu (2011) found compensation management as a tool for improving organisational performance in the public sector in Nigeria and found that there is no significant relationship between financial compensation of public staff and their performance and that the compensation earned is not measurable with the staff effort. In South Africa, Uzman & Daish (2010), found that 95% of the workers

had adequate rewards, like salary and bonus. This was used to induce employees in order to attain their desired results. A study carried out by Duberg and Mollen (2010) on reward systems within the health and geriatric care sector, found out that salary was an important aspect in the reward system, however, incentives like bonuses and shares were seen to generate an enjoyable workplace with happy workers.

In Kenya, Kimutai & Mzee (2013), stated that the health facilities, being one of the most sensitive sectors in service delivery in the public sector, hold the key to healthy living of the general public. This has been the focus of attention in employee empowerment. Mwakesi, (2014) investigated factors hindering professionals from achieving hospital goals at Moi Teaching and Referral Hospital, Kenya and revealed that the health professionals recruit or work with HR personnel to help them manage the hospitals better. In 2010, Kenya promulgated a constitution which devolved medicinal services to 47 Counties.

The technical rationale of devolution was efficient delivery of services and increased citizen involvement in decision making (Sihanya, 2011). A study by Simiyu (2014) on the influence of HR functions on employee performance in devolved governments, a case of Mbagathi hospital. The researcher noted that the HR function variables in the study accounted only for 69% influence on employee performance and called for further research on other factors specifically in the Health facilities in Kenya which may include employee voice, lack of enough finances, welfare services to employees and leadership styles.

Wanjau, Muiruri and Ayodo (2012) study on the factors affecting provision of service quality in the public health sector Kenyatta National Hospital, found that low employees capacitation, low adoption of technology, poor communication channels and

inadequate fund as the main factors that affect delivery of quality health services to patients attending public health facilities and impacting on perception of health service quality, satisfaction and loyalty of patients. These challenges affecting Public Hospitals led to disputes between management and operations staff leading to frequent strikes which sometimes lasted for weeks, leading to abandoning of patients in hospitals beds, in pain and agony, with a trail of deaths, which in most cases could be prevented.

According to the Human Resource management professional's Act, human resource professionals in Kenya were called upon to provide evidence of the input of human resources on the performance of their employees (Apwoka & Kwasira, 2015). With the implementation of the Act, (2012), in Kenya, performance of the HR function within the health facilities was supposed to improve even better. The practices of strategic human resource management (SHRM) such as employee voice are concerned with how people are employed and managed in organizations in order to realize organization's targets through effective employee performance.

Voice allows greater involvement of employees in deciding on issues that affect their work, (Locke & Latham, 2002). Strategic employee voice assists in employee participation and involvement in decision making and the health facilities unions being given voice to represent the workers adequately. Human resource function is the backbone of the health facilities in Kenya, as it introduces new ideas, new voices and strategic processes, and hence it achieves its objective without the strategic management of its Human resource, (Njoroge 2015).

Health in Kenya is ranked as one of the major basic needs which the government of Kenya has tried to meet its demand for decades. Representative voice mechanisms encompass both union-centered and non-union mechanisms and the different forms

may co-exist at workplace level. The choices made between the different forms, and between all of them and an absence of voice, are a function of government action, worker desires, union behavior and employer choice. For employees, the democratic and existential benefits of having a voice at work have often been rehearsed (Ng'ethe, Iravo & Namusonge, 2012).

The union voice requires management to give up power, and come to terms with the channels of authority within the firm. The assumption among worker in Kenya is that no company would choose union voice or collective bargaining; this is why the unions are normally formed in a fighting mood to advocate for workers' rights or pay (Kadian & Mutsotso, 2010). It is a system of getting workers voice without collecting information from each individual. Despite employee participation in decision making being pertinent in catalyzing the performance levels of health care institutions, limited studies have been conducted in Africa. Existing studies have focused on developed nations particularly United Kingdom (Kim, McDuffie & Pil, 2010 and Bhuiyan, 2010). On a macro level, voices can be designed out at the policy and regulatory level and in fact, most studies of employee voice focus on managers as policy actors operating within a framework of legislation or public policy prescriptions (Gollan & Patmore, 2013).

In many continental European countries, the State plays a role in supporting employee voice (Gollan & Xu, 2014). Other countries, including the USA or Australia, place much less emphasis on statutory provisions for employee voice and instead focus on the preferences of managers and unions to establish their own arrangements, which are contextually specific and shape the practice of voice on an organisational level (Block & Berg, 2010 & Frege & Godard, 2010). Indeed, workers are diverse, and their

opportunity or tendency to voice may be shaped by their gender, race, sexuality and personal perceptions in addition to institutional factors. Thus, these diverse voices may be missing in the workplace or they may be expressed in rather different ways (Syed 2014). Syed (2014) argues that prevalent voice arrangements (trade unions or employee committees) are insufficient in addressing the needs of diverse others such as women and ethnic minorities.

In Nigeria Ojukuku & Sayuigbe (2014) found that employee participation in decision making should be recognized as a managerial tool for improving their performance. This can be achieved by letting employees' input in developing the mission statement, establishing policies and procedures, pay determination, matters to do with promotion and even matters concerning employee benefits. Through collective consultation processes, upward problem solving which is an opportunity for employees to provide feedback on specific topics or issues but not as a dialogue but as a way of providing ideas to increase service delivery in the organization (Ojukuku & Sayuigbe, 2014).

Locally, Makhamara, Waiganjo, Kwasira (2016) found out that strategic employee voice influence employee service delivery in the health facilities in Kenya. From the study findings, the researcher recommends the use, implementation and sensitization of strategic employee voice contingent to the health facilities that will steer up employee performance. Anyango, Obange, Abeka, Ondiek, Odera and Ayugi, (2015) looked at the meaning and application of employee voice in organization and recommends that further research be carried out on the significant of employee voice on employee performance in the devolved health facilities.

The world bank report (2012) also ascertains that in Kenya, the county governments still lack the necessary structures to effectively run the public hospitals and this has

been due to the lack of involving health facilities employees or at the worst their employee representatives in matters of decision making. Kimutai *et al.,* (2013) stated that when employees are not allowed to participate, they will not comply with the procedures and goals defined in the system resulting to industrial action and boycott of duty.

Subsequently, leading to poor health services and loss of lives due to absence of the health workers in the hospitals to provide health care, or lack of commitment in delivering health services. The Kenya Medical Practitioners Pharmacists and Dentists Union (KMPPDU is the major voice that the health employees use to voice their concerns or grievances. This study sought to fill this gap of knowledge by assessing the mediating effect of employee voice on the relationship between compensation management and quality service delivery in the government health care institution in Kenya.

1.2 Statement of the Problem

Delivery of health services is vital for the enhancement of health-related sustainable development goals in Kenya. Service provision is an instant yield of the inputs into health systems such as labor, supplies, procurement and financing. Enhanced input should show the way to improved delivery of service and bettered access to health services (Sciedu, Hamoud, Tarhini, Akour & Al-Salti 2016). Primary Health Care therefore, provides general health services of preventive, promotive, rehabilitative and curative nature to the growing population. Availing of health care services is majorly the duty of the County Governments with the support of Ministry of Health and within the scale of nation's health policy.

The function of county public health facilities may be greatly affected by poor remunerations to administrators, lack of training, lack of motivation and restrictive government policies. The Consequence of this is that health staff may be demoralized, of their career progression path and many are exiting the service. The WHO report of (2012) indicates that the performance of health facilities in Kenya is below 50%. However, concerns have been raised on whether the service delivery in public health facilities has been fully utilized. The poor financial incentives to support the additional work involved in supporting health-care is an obstruction to improving service delivery for instance there is a woman in labour and needs to be referred to a higher-level institution for further management.

Ideally the patient should be accompanied by a midwife and it happens that there is a directive on payment of some allowances to the midwife accompanying the patient. A good number will be fighting for these slots to be referring patients, since there is an allowance attached to it, but if there is no allowance they hold back and turn down referrals. This has brought about several areas to implement such incentives such as locums, incidental allowance but sustaining these incentives is challenging (Sciedu, Hamoud, Tarhini, Akour, & Al-Salti, 2016).

In Kenya, Oduor (2013) study on Integrity in the Public Health Sector Service Delivery in Busia County, found that majority of the respondents (61%) indicated that the nature of services provided in public health facilities was poor. Poor service delivery in the hospitals has been witnessed overtime in public hospitals due to poor compensation practices such as salary, benefits, incentives and poor working conditions. Compensation may be one of the most important elements which motivate employees to contribute their best effort to generate innovative ideas that lead to better service

delivery in public hospitals. This study sought to find out whether compensation management affects service delivery.

Union leader's views strikes as an effective way to pressure the government to meet their employee's demands in terms of remuneration and working environment, which takes long time to resolve and this disrupts vital services offered to citizens. This caused a lot of suffering to the common citizen as the patients woke up every morning to disturbing news of deaths caused mainly by the absence of the vital health services. This made the KMPPDU union in 2015 to call for the health workers strikes in order for these issues to be addressed in public hospitals.

The KMPPDU in November, 2016 called for a strike action for the implementation of a 2013 collective bargaining agreement (CBA) among the county and the national government. As a result, the health care practitioners in Kenya underwent a strike for a period of 100 days which affected the service delivery in all public hospitals from November 2016 to March 2017. This brings in the question of the role of employee voice in employee compensation and quality service delivery. Therefore, there was need to establish the mediating effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region, Kenya.

1.3 Objectives of the Study

The general objective of the study was to establish the mediating effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region. The specific objectives were to;

1 Determine the effect of direct compensation on quality service delivery in County Referral Hospitals in North Rift region.
2 Examine the effect of indirect compensation on quality service delivery in County Referral Hospitals in North Rift region.
3 Identify the influence of non-financial compensation on quality service delivery in County Referral Hospitals in North Rift region.
4 Assess the mediating effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region.

1.4 Research Hypotheses

H_{O1}: Direct compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region.

H_{O2}: Indirect compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region.

H_{O3}: There is no significant influence of non-financial compensation on quality service delivery in County Referral Hospitals in North Rift region.

H_{O4}: Employee voice has no significance effect on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region.

1.5 Justification and Significance of the Study

In the recent past, public hospitals' professionals in Kenya have participated in strikes meant to demand for an improvement of their overall compensation system. This has been complicated further by the existing public outcry over the questionable quality and nature of healthcare services offered at the public health facilities (WHO, 2010). The problem is also compounded by the general understanding that, individual

employee performance impacts directly into organizational productivity in terms of both quality of services delivered and client satisfaction (Ndetei, Khasakhala & Omolo, 2008).

Indeed, the performance of both the individual health professional and the public health facility is very important towards the realization of some of the sustainable Development Goals and more so the Kenya Vision 2030. In a broader perspective, the overall interaction between the health professionals and their respective patients in the public hospitals is a major component on measuring service delivery of the County Referral Hospitals in North Rift region. The lack of strong institutions at the county level means that there is no effective communication and follow-up between the two levels of government to speed up the disbursements, and therefore facilities are left on their own to follow up with the national government, which is a rather challenging task, given their physical, social and capacity distances from the national Ministry of Health in Nairobi.

The allocations from the national Ministry of Finance are delayed leading to delays downstream with such results as frequent strikes over salaries by health personnel, lack of drugs and other basic necessities at health facilities and, ultimately, desertion of the health facilities by qualified staff due to the arising frustrations (Kariuki 2014). The residents continued to face challenges in receiving accessible and high-quality primary health care.

This study will be significant by providing more insights on how best to deal with the challenges of Human resource management function in the health facilities in Kenya. The health facilities in Kenya will benefit from the findings of this study, if it will adopt the compensation management recommended towards improvement of service

delivery. The study will help the county and national government in developing policies and legislations on the administration of commensurate compensation among the health care staff.

The study will benefit the government agencies and the policy makers whose overall objective is to accelerate the rate of employee's performance thus improving on service delivery. The results of the study will be significant to researchers in expanding knowledge on the contributions of compensation management in service delivery in devolved health facilities in the counties and the entire country.

1.6 Scope of the Study

The study was carried out in county referral hospitals in North Rift Region. The study sought to establish the effect of employee voice on the relationship between compensation system and quality service delivery in public Health facilities. The compensation management included the direct compensation, indirect compensation and non-financial compensation. This study was informed by Expectancy Theory, Social Exchange Theory and Goal Setting Theory. The study was guided by pragmatist paradigm and explanatory research design. The sample size was 218 health staff. Data was collected using questionnaire and interview schedule. The respondents comprised of health workers at county referral hospitals in North Rift Region. The study was carried between September 2019 and December 2019.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presented an overview of service delivery, compensation management practices, theoretical framework, review of related studies and conceptual framework. This information was aimed at addressing the missing gaps.

2.1 Concept of Quality Service Delivery in Health facilities

Quality of service assumes an imperative part in the achievement of the organization in acknowledgment of an aggressive edge and expanding focused power (Rod, Ashill, Shao, & Carruthers 2009). Besides, service quality is the path in which clients are served in an organization which could be good or bad. The service delivered has noteworthy association with consumer loyalty, client retention, loyalty, costs, productivity, service certifications and development of organization (Wilson, 2008). Furthermore, the role of service employees in many competitive business environments is to interact with customers.

By delivering high-quality services, create ideal audits from clients who encounter more elevated amounts of fulfilment and thus increment their visits and purchases later on (Liao & Chuang, 2004). Vlieland, (2009) defines quality as the degree to which a service meets consistently desired outcomes for individuals and populations. However, service delivered should also be consistent with current professional knowledge. Quality is multifaceted. It spans inputs, processes and outputs. It corresponds to core values of privacy, dignity, choice, safety, autonomy and fulfillment to individuals and groups.

Without these indicators a service is said not to be quality (Vlieland, 2009). Petrick (2009) identified ten determinants of service quality that are related to any service. They include competence, courtesy, credibility, security, access, communication, and understanding, knowing the customer, tangibles, reliability, and responsiveness. During the past few decades, service quality has become a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, lower costs, consumer satisfaction, client loyalty and profitability (Guru, 2003).

Algilanan, (2003) later categorized them into five: tangibility, reliability, responsiveness, assurance, and competence. Quality service is an assessment of whether the service delivered is compatible with the needs and the requirements of customers. It is a critical determinant to competitiveness and value for money. A customer- focused approach to service delivery is premised on the setting of sound standards, service delivery plans and targets that achieve measurable spheres of interest. The services should be appropriate to purpose, have ability to consistently meet and exceed perceived customer and citizen needs. Wanjau & Wanarigi (2012) adds that it also has significant relationships with customer loyalty, profitability, service guarantees and growth of organization.

Quality service delivery as defined by International Organization for Standardization (ISO) is a relative concept and in most cases where inherent characteristic of a service meets the requirements of patient, then it can be rated as high in quality (Reinartz, Krafft & Hoyer, 2004). Service industries like hospitals, experience of patients plays a crucial role in rating and assessment and ranking of quality of services offered in these facilities. Health facilities administration relates to organization, providing

stewardship, and running of systems of health and hospitals networks (Sciedu *et al.*, 2016). Petrick, (2009) states that, evaluation of quality service in the health facilities was started by a U.S surgeon, Ernest Codman. This was the beginning of the formation of quality improvement methods linked to quality and safety standards and the subsequent establishment of the international society for quality in health care.

Quality Service is a product of quality management (QM) that was developed by Japanese industrial organizations in 1950s through 1980s and later adopted in the USA as total quality management approach. QM has today gone beyond quality management to maintaining competitiveness by providing philosophies to manage the entire organization (Srimai, 2013). Research conducted on the health facilities has indicated that most challenges affecting the global health facilities are attributed to human resource management. The challenges include high attritions rates, de-motivated staff and general public dissatisfaction with the quality of service.

In the U.S, the organization of an institution, for instance, a hospital is called medical service management; health administration or health care organization. High-quality service provision is a fundamental aspect to any system of health. Hospital administrators are responsible for these activities thus underlining the importance of administrative function on health care. This ensures that resources are used efficiently, the right people are in right jobs and that all departments are working towards a given target (McKean, 2012).

Regionally, large segments of the population in developing countries like Kenya, Uganda, Tanzania, Ghana, Mozambique, Ethiopia, and Nigeria are deprived of access to basic health care (Nyongesa, 2013). This problem is particularly common in public hospitals where public healthcare services are and continue to deteriorate (Wanjau &,

Wanarigi, 2012). Although the health crisis is a global problem, sub-Saharan Africa has been the hardest hit. Human resource for health constraints at most levels have posed major challenges and hampered health facilities planning, service delivery and ultimately health outcomes (MOH, 2012). In order to achieve universal access to quality healthcare and meet health-related millennium development goals, it is important to ensure that the level of service offered in public hospitals improves (MOH, 2012).

The government in Kenya has designed and implemented policies aimed at promoting access to modern healthcare. It has stated that provision of health services should meet the basic needs of the population. That the services should be geared towards providing health services within easy reach of Kenyans (KACC, 2010). Furthermore, providing Kenyans with affordable, accessible, and safe health services is a key obligation of the government. It therefore calls for proactive to improve the quality of health care. Sibanda, (2012) on improving customer service is not only a requirement but a necessity in these days of budget cuts and decreasing public finances.

In recent years, Kenya has struggled to build systems that can effectively deliver quality healthcare to their people. The public reports of gross misconduct of health professionals that reveal serious inadequacies, negligence, malpractices and mistreatment of patients are cases of poor service. The Organization for Economic Cooperation and Development health statistics (OECDHS) (2015) define publicly owned facilities as facilities that are owned and controlled by a government unit, department or any other public corporation. An essential part of the Kenyan social and economic development is attributed to a community strategy concept comprising of community units, community health volunteers and community health assistants. For

this reason, health care is brought to the grassroots level, where people reside thus contributing to the basic attribute of a growing health care system.

Effective health administration is viewed as the backbone of development and growth in the health facilities. Health administration and leadership comes with accountability which is the obligation to answer questions regarding decisions and actions (Hunter, Wilson, Stanhope, Hatcher, Hattar, Messias & Powell, 2013). However, there are many challenges to achieving greater accountability in provision of health services. To improve service delivery to the clients at public health facilities, community members have two different routes; a long route of pressurizing their elected officials to ensure that providers offer quality services, and a short route of increasing their power over the provider.

The health system has been shown to sometimes block, even quite limited citizen involvement in low income settings. One mechanism to increase clients' power is through their direct involvement in co-providing and monitoring health services. In Kenya, the period 2013/2014, has witnessed the resignation of over 500 Medical Doctors. Similarly, the increased number of strikes by health professionals agitating for an improvement in their overall compensation system against the existing outcry over questionable quality of the nature of healthcare services offered at the public health facilities is a worrying trend (Atambo, 2012). Unfortunately, this is not the only case since we are reminded on a regular basis by newspaper reports that our hospitals are unsafe – for patients and for health care workers, attending to the patients (Hajaj, 2014).

Service delivery is a distinct issue in health care industry and high-quality service delivery has become the main focus for organization's survival (Sachdev & Verma, 2004). In the health care sector, service quality has turned into a basic requirement in

pursuit of patient fulfilment due to the fact that conveying quality service influences consumer loyalty, devotion and money related gains to the service organizations (Ennis & Harrington, 2001). In recognizing that human resource demands were an integral part of the challenges confronting the National Health System, the Kenya human resource for health (HRH) Strategy was one of the steps the national and county governments in collaboration with partners to strengthen the employees in the health facilities in order to deliver quality health services more efficiently.

There were myriads of challenges facing the Kenya's Health facilities which included severe shortages of essential cadres, persistent inability to attract and retain health workers, poor and uneven remuneration among cadres, poor working conditions, inadequate or lack of essential tools and medical and non-medical supplies, the unequal distribution of staff, diminishing productivity among the health workforce, and poor leadership and governance, (HRH Report, 2012-2030).This was the basis of this study. Service quality refers to a set of principles, standards, policies and constraints to be used to guide the designs, development, deployment, operation and provision of services delivered by a service provider with a view to offering a consistent service experience**.**

According to Markovic and Jankovic (2013), service quality is measured using SERVQUAL instrument which consists of 22 items which measure five service quality dimensions, namely: reliability, assurance, tangibles, empathy and responsiveness. Reliability involves the ability to perform the promised service dependably and accurately, assurance involves knowledge and courtesy of staff and ability to inspire trust and confidence, tangibility involves the appearance of physical facilities, empathy involves the provision of caring, individualized attention to customers' needs and

finally, responsiveness entails the willingness to help customers and providing prompt services (Chepkoech, 2013).

The factor underpinning the delivering of good perceived service quality is actually meeting the expectations of the customers. Thus, excellent service quality is exceeding the customers' expectations. Zeithaml and Bitner (2000) suggested that customer expectations are beliefs about a service that serve as standards against which service performance is judged. Service quality and customer intensions are distinct concepts, although they are closely related (Nanziri, 2017). It is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis.

2.2 Concept of Compensation Management

The Journal of Global Business and Economics (2010) defines compensation as "the combination of all cash incentives and the fringe benefits mix that an employee received from a company which constitutes an individual's total compensation." Chhabra (2001) refers Compensation as a wide range of financial and non-financial rewards given to employees for their services rendered to the organization. It is paid in the form of wages, salaries and employee benefits such as paid vacations, insurance, maternity leave, free traveling facility, retirement benefits. Thus, wages are given to compensate the unskilled workers for their services rendered to the organization. Wages may be based on hourly, daily, weekly or even monthly bases.

Compensation as a concept refers to all forms of financial returns and tangible benefits that employee receives as part of employment relationship (Bernadin, 2007). Compensation is a fundamental component of human resource management. It covers economic reward in the form of wages and salaries as well as benefits, indirect

compensation or supplementary pay (Ojo, 2008). Compensation emanates from the fact that it provides income to workers and constitutes an important cost item to the employer (Martocchio, 2011). Compensation management is one of the central pillars of human resources management (HRM). It is linked with the formulation and implementation of strategies and policies that aim to compensate people practically, justifiably and constantly in agreement with their worth to the organization (Armstrong, 2005).

Compensation Management as the name represent including a compensation structure in which best performer employee awarded more than average performer (Hewitt, 2009). This motivates the good performer to work hard and make competitive atmosphere in organization like how people can achieve their objectives; it is therefore linked with other HRM functions, mostly linked with human resource development. Compensation management is one of the most important elements of personnel management. It includes economic rewards (wages and salaries) as well as in different forms of non-wage economic payment known as fringe benefits, indirect compensation or supplementary pay. The subject of Compensation and for that matter indirect Compensation is of great importance because it affects the well-being of the individuals in the concerned organizations.

According to Dessler (2011) compensation is of two types which are direct financial compensation and indirect compensation. Direct financial compensation as direct cash pay that an employee receives on monthly weekly or daily basis in exchange for the service they offer to an organization. It can also be informed of stock bonus compensation where employee is given a certain percentage of shares of the firm and

pay dividends for the shares after a certain period of time or increase their savings. Direct financial compensation includes salaries, wages, bonuses and commissions.

Armstrong (2009) referred to indirect compensation as remuneration given to employee or reward he receives in exchange for service he/she provides. Indirect compensation are packages like retirement plan, leave allowance and medical covers. According to Cascio (2003), the objective of the design of compensation program is divided into two, which are, direct and indirect forms of compensation. Direct compensation has to do with wage and salary aspect while indirect compensation is the fringe benefits a worker enjoys as a result of working in an organization. Integrating the two into a package that will encourage the achievement of an organizations goal is what compensation is all about.

In the words of McNamara (2006), compensation includes issues regarding wage and/ or salary programs and structures accruing from job descriptions, merit-based programs, bonus-based programs, commission-based programs and so on, while benefits typically refers to retirement plans, health life insurance, disability insurance, vacation, employee stock ownership plan etc. Employees' compensation comprises of base pay and fringe benefits (Gomez, Balkin and Cardy, 2006). Base pay or cash pay is the direct pay provided to employees for work performed and these include; salary, overtime pay, shift allowance, uniform allowances and pay contingent on performance, like merit awards, incentive pay, bonuses and gain sharing while fringe compensating include required programs such as social security, health benefits, pension plans, paid time off, tuition reimbursement, foreign service premiums and so on.

Bernadin (2007) emphasize skill-based pay also pose some risks in the area of employer paying higher compensation that is not equalize by organizations productivity. In

addition, employee may become "rusty" unless there is opportunity to use all the skills acquired; and thirdly, when employee hits the top of the pay structure, he may become frustrated and leave the firm just because there is no further opportunity to receive pay raise (Cascio, 2003). Employees' benefits, though a part of total compensation embraces non-monetary form of compensation ranging from health care plans, to pension or retirement plans, social security, insurance, family and medical leave, severance pay, payments for time not worked (vacations, sabbatical, holidays), workers compensation, those injured on the job, foreign service premiums, child care etc.

Other emerging trends in employee benefits embrace flexibility or what is known as cafeteria approach to benefits (Noe, Hollenbeck, Gerhart & Wright, 2007). This allows an employee to choose from array of benefits in lieu of pay. An employee who is a bachelor may choose money in lieu of childcare. This is a welcoming idea though it could be more expensive for employers. Mostly, employee compensation and benefits are the ultimate in an organization whether monetary or non-monetary and it matters a lot to individual workers. Armstrong (2005) argues that compensation management entails developing a cordial and positive employment relationship and psychological contract that engages a comprehensive compensation tactics that identify quite a number of ways through which people can be compensated.

Compensation management is also viewed as being anchored on a well enunciated philosophy a set of beliefs and guiding principles that are coherent with the values of the firm which acknowledges the truth that human resource management is all about investing in human capital of which a reasonable and tangible return is being expected and required. Then it is not out of place to compensate people in a way that is commensurable with their contribution. This has been the foundation for the

development of skills and capabilities of workers in an attempt to boost the resource-based capacity of the firm (Anyebe, 2003 and Bob, 2011).

2.3 Direct Compensation and Quality Service Delivery

According to Kappel (2012) direct financial compensation is the monetary benefit paid by the firm to its employee in exchange of the service they offered or work done. It can be in form of salaries, wages, bonuses and commissions and is paid on regular basis. It's a way of inducing employees and reducing staff turnover if this compensation is high compared to what is offered in the market. It refers to monetary benefits for a specific period like an hour, a week, a month or a year. Mwangi (2014) cited the work of Armstrong who opined that, direct financial compensation holds basic pay as the amount that constitutes the rate for the job which depends on the job or for manual workers, the level of skills required.

Further it also involves the contingent pay which has been described by Armstrong (2008) as additional financial rewards that may be given for their performance, contribution, competence, skill or experience. Ruby (2012) defined direct financial compensation as a psychological force that determines the direction of a person's behavior in an organization. It's the level of effort and persistence of an individual in the face of obstacles. Direct financial compensation is the recognized form of compensation which employees look for and it is paid directly to employees in exchange for their labor.

The financial benefits include wages, salaries, bonuses and commission which are provided at an expected period at a definite time. Direct monetary stipend could be a reward, income or wages paid regularly by the due date fastened. In line with the understanding that, wages or pay rates is also taken as an installment inside the sort of

cash in money or in a comparable way gotten by specialists of the usage work, (Baker, 2012). One purpose of someone as Associate in Nursing laborer of an organization is to gain budgetary pick up inside the sort of compensation or remuneration.

Each company in significant to the number of compensations paid to the laborer ought to be conceivable, so rock bottom wage that's given to fulfill the prerequisites of their life (Kanzunnudin, 2007). A few financial specialists opine concerning the means of wages. Implicit contract shows briefly illustrated that the compensation of professionals in a company is decided by the contract between the boss and the union. This implies that in the nearness of solid unions, wage rates cannot be effectively changed as in a superbly competitive showcase. Wage flexibility is the primary subject of the economy, are generally found in the literature related to the provision of motivating forces given by the company. A number of theoretical models have created a clarification of how the company ought to plan compensation plans to energize employees to work for the benefit of the corporation.

The decision is to put a few exertions into their work to maximize corporate profits (Pendergast, 2009). Wages become an imperative feature of being compelling if connected to the execution significantly (Umar, 2012). Giving wages recompense is the most difficult errand for the industry, is too the most significant viewpoints for laborers, because of the sum of wages reflects the estimate of the value of their work among the specialists themselves, their families and communities. Wages are exceptionally imperative for the industry since it reflects the industry's endeavors to guard human assets in order to have a high devotion and commitment to the industry.

Effective wages technique is anticipated to contribute to maintaining the practicality of the work constrain, the realization of the vision and mission, as well as for the

accomplishment of work objectives (Umar, 2012). Shields, Brown, Kaine, Dolle-Samuel, North-Samardzic, McLean & Plimmer (2015) sights basic recompense as a vital portion of overall pay that is immovable and primarily time-bound, other than performance-based. Fundamental reimbursement is the biggest portion add up to pay for subordinate staffs. It too acts as a yardstick for other currency motivating forces such as revenue sharing, which is communicated as a rate of essential pay. Essential pay makes a difference to draw in and hold representatives. Representatives utilize essential pay to compare their work offers instead of utilizing inborn recompenses and other rewards not captured in the formal organizational system up to counting work security. In a competitive market, organizations pay over the showcase rates to hold their employees.

According to Hameed, Ramzan & Zubair (2014) on the impact of wage increase on employee performance found out that, a fixed wage has a significant positive effect on job satisfaction, regardless of an employee's risk preference. The study also found that, there is an expectation from the employer of a longer-term commitment from the employee for providing a regular uninterrupted compensation. Richard (2014) study found out that 80 to 90 percent of organizations use merit pay. Salary pay is monetary reward given to employees in addition to their fixed compensation. Performance related pay directly impact the workers performance creating the output through pay and workers has more able to give pay structure according to the performance (Shilongo, 2013). There are reward like the long-term growth as well as employee relation and mostly form of cash in and stock.

A study done by Nyaribo (2016) on the relation between compensation and employee performance found out that, the pay for shorter term incentive give the power job

shorter oriented. The study also found out that individual motivation improves the performance of the employee in this context performance related pay refer to system linking the performance it based on the organizational accountably measure individual output of the organizations performance pay can be manage value of potential references. This is remarkable since a performance-based reward scheme often consists of a fixed part and a variable part. The most obvious explanation for the fact that only little attention is given to the composition of the reward package is that is often easier to evaluate and discuss extremes.

Shilongo, (2013) reported in a case study that the incentive effect of a piece rate pay was an increase of about 22 percent in production. The previous seemingly contradictory results are in line with the study of Bryson, Buraimo, & Simmons, (2011) who concludes that neither performance-based pay nor fixed pay, produces universally superior results. From a firm perspective the use or non-use of performance-based pay is mostly determined by the costs of monitoring (Lazear, 2011). Mukuru (2013) showed that other firm aspects such as the stage of the firm (the age of the firm), the skills and the profitability of an organization are of influence to the optimal pay composition. The latter are determinants from a company's point of view.

A profoundly different approach to determine an employee's wage is to use the efficient wage. A study on the impact of commission pay on performance Gerhart, Rynes & Fulmer, (2009) found out that, by adding commission-earning opportunity, companies drive salesmen to set more aggressive goals, to work through obstacles and rejection, and to continue to prospect and seek new selling opportunities. The balance of stability and incentive to perform at a higher level has a nice balance of benefits from both straight salary and straight commission. The key is to offer just enough stability that

employees feel satisfied with their basic financial security but still be motivated to sell more to earn more.

According to Lawler (2011), when compensation is based on volume or some form of performance, this is known as commission-based remuneration. Other terms used include piecework or piecemeal. Many industries used this type of remuneration to get a minimum standard of production in exchange for compensation. It is used to shift risk from the employer to the employee. There are two methods to calculate commission. One is based on volume of services and the other is based on sales. The men that work on the boats have a risk that the captain will not find fish. In exchange, the captain may hit upon some nice fishing grounds and bring in a large catch. These workers are paid by piecemeal, that is, how much final product they can generate from the catch.

Typically, their cuts of the meat are weighed and they are compensated based on that measurement for services rendered. The traditional job-based system assumes that an employee should be paid according to his position in the organization. However, there is growing evidence that a shift of focus from job-based systems to skill-based systems is recommendable (Zeng & Honig, 2017). A skill-based pay system (SBPS) can best be described as ‘a system in which the capabilities of individuals are the primary focus and which cause them to be managed in a way that facilitates organizations developing organizational capabilities that provide competitive advantage.

In addition, Gomez-Mejia and Balkin (2012) found out that the following elements benefited the results of a SBPS: the organization is situated in a start-up or growth phase, has a participative culture and offers other incentive programs complementing skill-based pay. This is in accordance with Nyaribo (2016) who states that workers in a

skill-based pay system have strong incentives to increase knowledge and skill since higher skill levels are associated with both higher status and with pay.

According Milkovich, Newman & Gerhart (2011), salary plus commission is more difficult to administer than a pay structure with one basic type of pay. With this pay structure, payroll staff must manage both the salary and commission aspects of pay. Additionally, salesmen can become confused about how their pay is calculated, especially if more than one type of commission is offered. Some companies offer multiple commission percentages for multiple product and service categories, as opposed to one commission rate across the board.

Salary plus commission critics most often point to challenges in execution, not the ideas behind motivating employees with commission. Some companies use relatively small commissions as small add-ons to standard salary or wages. According to the Milkovich, Newman & Cole (2010) study, flexible benefit scheme employees are allowed to express their relative preferences with respect to topics such as healthcare, dental and employee life insurance. Rigid benefit plans, on the other hand, are by management predetermined standard benefits.

A firm should use this solution with caution since the results of Igalens and Roussel (2009) suggest that flexible pay lacks efficiency. This is in accordance with the evidence provided by a firm should consider different factors, such as risk aversion and demand for leisure, when determining the reward schemes. Furthermore, Barber & Woo (2012) study showed that an increased understanding of benefits following implementation of a flexible benefit plan generates increased satisfaction. A downside of using flexible schemes is that it takes time for employees to get used to and subsequently choose the right package.

Bonuses are used to increase performance from the employee. This is a variable type of remuneration and is more commonly found with salaried staff to incentivize them for a particular goal whether time or volume based. Other reasons used for bonuses are to increase or maintain retention of certain skills or the pool of skill sets needed in the company. Sometimes bonuses are paid when a company meets certain financial standards or goals over an extended period of time. Motivation of employee productivity can provide effective recognition which provides the result improve the performance of organization.

2.4 Indirect Compensation and Quality Service Delivery

Indirect compensation is the financial rewards that form part of social contract between employee and employer and are not included in direct compensation; it has a monetary value but is not a direct financial payment (Mike 2012). Indirect compensation is referred to as benefits. Employee benefits are non-financial forms of compensation offered in addition to cash salary to enrich workers lives. Employee benefits are not performance based rather they are membership based (Decenzo and Robbins, 2007). Workers receive benefits regardless of their performance.

Although employees benefit as a whole have no direct effect on employee performance, inadequate of it do contribute to low job satisfaction level, increase in absenteeism and turn over in employees (Decenzo and Robbins, 2007). Indirect compensation includes, good accommodation, provision of transportation distribution of some cell phones and some food items at the end of the month or year. A well-designed compensation as well as benefits plan help to attract, motivate and retain talents in an organization (Numan, 2010). Indirect compensation is not directly paid to the worker but given as an additional component to the base salary pay. These rewards include medical cover which enables an employee to access medical services

in different hospitals under the cover without paying cash. This makes the employees happy and feel secure both with their families.

Retirement plan is another type of indirect financial compensation which offers attractive incentive to employees. A retirement plan of a firm can contribute to retention of employees by the firm because before they decide to leave to another firm, they have to compare their current retirement package with that of the intended firm and if it is not attractive, they would not leave. This is a plan that a firm has to pay an employee who retires upon retirement age. A firm may also offer its employees leave allowances and educational sponsorship to help them (Kappel 2012).

Dessler (2011) refers Indirect Compensation as the indirect financial benefits that employees receive for continuing their employment with the company which are an important part of every employee's compensation. Other terms such as fringe benefits, employee services, supplementary compensation and supplementary pay are used. Armstrong (2009) says Indirect Compensation or Employee benefits are elements of remuneration given in addition to the various forms of cash pay. They also include items that are not strictly remuneration such as annual holidays.

According to Chhabra (2001), indirect or Supplementary Compensation involves 'fringe benefits' offered through several employee services and benefits such as housing, subsidized food, medical aid, crèche and so on. It involves rewards provided by organizations to employees for their membership, attendance or participation in the organization. Benefits currently account for almost 40 per cent of the total compensation costs for each employee. The basic purpose of fringe benefits or supplementary compensation is to attract and maintain efficient human resources

within the organization and to motivate them. The primary effect of fringe benefit is to retain the employee in the organization.

According to Stratton (2009), welfare services are a financial or other assistance offered to an employee or family by an organization. Employee welfare is a comprehensive term that included various services, benefits and facilities offered to them by employers. The welfare measure could either be in monetary or non-monetary. Some of the various welfare services included; allowances, housing, transport, medical insurance, pension schemes, family leave and canteens, sick days, child care programs, financial assistance, educational (Lagat, Mutai, Kosgey & Nyahururu, 2014). Fee benefits, wellness programmes, and medical insurance and workers compensation programs.

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

The dollar returns from employee's benefits is almost impossible to measure. Worker benefits and motivating forces propel workers to endeavor for a higher level of productivity. It enables the organizations to attract and retain competent career personnel and it encourages all employees to work enthusiastically towards the efficient

and effective achievement of organizational goals (Okumbe, 2010). Benefits should be viewed as an investment on the part of the employer. Soft returns delivered by an effective benefits program incorporate reputation, a sense of meeting commitments and goodwill.

According Tsai, Yu, & Shih-Yi, (2005), indirect compensation helps organizations to attract and retain highly competitive employees which are seen as strategic resources in getting competitive advantage, one can expect that through benefits offerings the overall attractiveness of organization can be increased and the loyalty and satisfaction of that employee will also be increased. As a result, it will increase employee motivation and performance. In simple, higher indirect compensation may enhance organizational performance by attracting and retaining competitive labor.

In another words, indirect compensation plays a moderating role and increase the positive impact of labor input on an organization's output with the retention and recruitment of high-quality employees (Bond & Galinsky, 2006). According to De Nissi & Griffin, (2001) performance is an economic measure of effectiveness which summarizes and indicates the amount of the outcome produced by an individual, organization, industry or economic system comparative to the amount of the inputs used to produce them. Organizations all around the world have identified the importance of performance to compete and also to survive in the market. Moreover, actual performance improvement takes an important comprehensive approach which relies on the employees, it is important to provide them with the essential supplementary benefits to encourage them to perform their best.

According to Masinde (2011), in a comparative study carried out on the effects of social welfare facilities on employee motivation in Pan African Paper Mills and Mumias

Sugar Company, the study established that facilities provided to employees were a strong motivational element that enhanced employee performance. Kuria, (2012), carried out a study on the effect of employee welfare programmes on job satisfaction of employees within the flower industry in Kenya. The study established that the welfare services like insurance, maternity leave, and leave allowance provided by the flower industry had a positive effect on employee service delivery.

2.5 Non-financial Compensation and Quality Service Delivery

Non-financial Compensation is a kind of compensation that does not involve money directly and this reward normally group-up from the work itself. These include achievement, autonomy, recognition, the scope to use for work. Others include development of skills, training and career development opportunities (Armstrong 2003 & Herzberg, 1966). This is made up of rewards that are not costly to boost the employee's morale (Danish and Usman, 2010 and Resurreccion, 2012).

Non-financial compensation is the satisfaction an employee gets from his work environment and does not have any monetary value. It can be emotional or psychological satisfaction which makes the job more enjoyable and satisfying (Mike 2012). It can also improve the work environment by ensuring their policies are appropriate and fair. Hiring of good and capable managers who are supportive to both employees and the firm is a start of the better management of non-financial compensation schemes. Career development, opportunities for recognition, advancement opportunities and work life balance help to improve employee service delivery.

The non-financial rewards incorporate job design, the working atmosphere, career improvement, training, cooperation and also acknowledgment. The job design can

demonstrate a very good role in encouraging the worker by planning the tasks in a manner that are curiously and challenging as well. A systematically planned work can increase the worker morale and motivation by making monotony and work redundancy less, (Georg & Rastogi, 2007). The perceived work requests, job control and social support through work design eventually leads to more efficiency. Work plan might be continued by adequately executing the Human Resource involvements like revolution of work, work improvement and extension of work.

Alternatively, adaptable work plans, work delegation and working from home moreover encourage the worker and are supportive in their day to day existence in the organization. The adaptable work plan permits the worker to decide when to arrive and also what time to leave and to perform their duties amid the core time. In work sharing, two workers can share their obligations on one work and working from home propels the worker by encouraging them to work two to three days a week while at the comfort of their homes (Bohlander & Snell, 2014). A superior working environment points up to expanded worker belongingness, engagement commitment and execution. It uplifts the worker inspiration and hence fosters efficiency. A working atmosphere where workers feel that they are in charge, they have reasons for doing work and get pleasure from doing their work propels the worker.

In working atmospheres where representatives aren't given with satisfactory assets, tools, training, programs and supplies lead dissatisfaction hence less efficiency. The wasteful working environments which include well-being issues like impoverished ventilation, seating, lighting and commotion may cause discomfort and lessen the yield, (Hughes, 2007). A working environment with no protection and communication boundaries decreases motivation and efficiency. A solid work put which is made by

utilizing ergonomic furniture and accessories, lightning and useful plan will decrease trouble and progress generation.

Lack of praise, acknowledgment and advancements in the working atmosphere influence the inspiration of workers. As a result, the non-appearance rate increments and they are less likely to continue with the work, (Roeloelofsen, 2012). Relationship with other colleagues, rise to openings for advancements, obligation and independence are too components of a working atmosphere that can influence inspiration of employees. The lack of career development openings influences inspiration and performance.

Consequently, employee inspiration will increase with the realization that progress of activities will lead to achievement of objective. The arrangement of openings for training and development of establishments can persuade workers (Armstrong, 2011). Organizations usually put more emphasis on creating their representatives and improving their motivational viewpoints like self-esteem and self-actualization. They can attain the most favorable performance and hence achieve set up goals. Equal prospects for career progression and "reasonable" payment framework and preparing may increase the inspiration of employees. Acknowledgment alludes to the common affirmation or authorization of a specified event or execution (Petresca and Simon, 2008).

According to Harrison (2005), worker acknowledgment is understood as a timely, educated or official affirmation of a character's behavior and exertion that specifically underpins the accomplishment and organizational objectives and values and ordinarily has been past typical desire levels. It is hence an employers' acknowledgement of an employee's achievement and exertion towards the establishment's objectives. Worker

acknowledgment is one of the methods of persuading staff in a business, making them feel esteemed and in general stimulation of worker retention

Not all workers are spurred to execute past the basic least with financial motivating forces by themselves (Nolan, 2012). It is hence mandatory on establishments to supply significant grants on value as a shape of worker acknowledgment. Agreeing to Keller, (2009) non-financial rewards can be very encouraging making a difference to set up certainty sentiments and fulfillment on portion of the worker. Observational studies appear that workers who get acknowledgment at their place of work result in higher self-esteem, self-confidence and also an actuated feeling and eagerness to take up new challenges while grasping developments (Allen & Kilmann, 2011).

Workers who are acknowledged frequently go over and past the organizational desires and are probable to remain in the organization (Welsh, 2012). Such workers gotten to be positive approximately themselves and as a result of their positive self-esteem, they end up getting to be the most excellent and dependable workers in the organization. Zainuddin, Junaidah & Nazmi (2010) and Danish & Usman, (2010) found a positive significant relationship between opportunities for promotion and job satisfaction. Wan, Sulaiman & Omar (2012) argue that employees that perceived promotion decisions as fair are more likely to be committed to the organization, experience career satisfaction, perform better and subsequently have a lower intention to leave the organization.

Clark (2011) found that both satisfaction with pay and job security are the most important job satisfaction categories for determining future quits, while satisfaction with promotion opportunities is not a significant factor. Pergamit and Veum (2010) found a positive correlation between promotions and employee performance using data from the 2009 and 2010. However, their empirical model only controls for promotions

and the type of job change. Francesconi (2001) analyzes the effects of promotions on changes in job satisfaction using British household data.

In another study using British household data, Clark (2012) includes a dummy variable indicating whether the respondents have opportunities for promotion as an explanatory variable. This variable is very similar to the promotion expectations variable included in the present study, however the study does not analyze the effects of actual promotions upon employee performance. Organizations can offer employee acknowledgment in different ways extending from the arrangements of gifts cards, certificates, shopping vouchers, 'thank you', commend suppers, trophies, career progression opportunities, training's, appreciating thoughts and regard where it merits, (Nolan, 2012). Establishments have indeed formulated acknowledgment programs such as 'employee of the month year plans and long service awards.

Acknowledgment is in any case the slightest costly Corby, White & Stanworth, (2005) and however it evokes more benefits from workers. Compensation packages include financial and non-financial incentives which are offered to workers for their outstanding contributions to the organisation (Aswathappa, 2008). Milkovich, Newman & Cole (2010) found out that, bonuses are a combination of a big range of financial benefits and Non-financial benefits that include; Social security: this is managing insurance system by the rules of employee must pay into system and contain purchase of pay up to maintain limit.

De Cenzo & Robbins (2007) defined workers benefits as non-financial compensation given to attract and retain workers. He further stated that they have grown in importance and variety as employers have realized that such benefits affect the decision of applicants when accepting or declining employment offers. De Cenzo & Robbins

(2007) defined incentives for professional employees like system analysts and programmers, engineers, Medical Doctors and economists whose work involved the use of learned skill to give a solution (competency-based compensation plan).

Professional workers are also incentivized by the use of recognition-based awards. These are non-financial incentives such as employee-of-the-year awards, job well done cards, and star award cards, which are meant to give performance feedback (De Cenzo & Robbins, 2007). Clegg and Birch (2002) urged that reward is not all about money, likewise Armstrong (2008) lamented that there are many ways of rewarding workers apart from monetary gains. Decenzo (2007) stated that nowadays employees' expectations are more than just financial gains. Equally, they want additional attention that would sustain their livelihood. They expressed non-monetary rewards as the desirable extras in the workplace, which do not directly increase the workers' financial position but is rather an attraction tool.

The non-financial rewards might involve preferred office furnishings; assigned parking spaces; business cards; having their own secretary; and recognition amongst other things (Armstrong, 2008). Non-financial compensation doesn't have any monetary value but it has the satisfaction that an employee gets from his work environment. The satisfaction mayinclude emotional and psychological. Non-monetary compensation is different from direct and indirect rewards because no monetary value is involved (Mike 2012). It deals with the psychological feelings of the workers towards the treatment they receive from their organization.

2.6 Mediating role of Employee Voice on Compensation Management and Quality Service Delivery

Employee voice describes how employees raise concerns, express their interests, solve problems, and contribute to and participate in workplace decision-making (Pyman *et al*., 2006). Employee voice can take place either directly between employees and management (e.g. through employee involvement programs), or indirectly via worker representatives (Levine and Tyson, 1990). Direct employee voice refers to the degree to which individual employees or groups of employees directly influence key local establishment-level decisions that affect their day-to-day work.

Indirect forms of employee voice exert influence on issues affecting employees and their work via employee representatives, for example, unions, works councils, joint labor-management consultation committees, and employee representation on company boards of directors. These indirect arrangements differ from direct employee involvement in how employee influence is expressed and in the content of the decision**.** Employee representatives usually serve as advisory or informational channels of influence on a wide range of corporate-level decisions, including investment policy, technological change, and corporate-level strategy.

Direct employee voice is often categorized as being either consultative or substantive (Marchington, 2007). Consultative participation (known as upward problem-solving) involves soliciting of workers' suggestions on issues important to their day-to-day activities and about which they have significant information not readily available to management. While workers' suggestions are solicited, workers do not decide how to solve problems and may not be involved in implementing the suggestions that are accepted by management. In contrast, substantive participation involves the creation of

formal, often permanent structures such as work teams to organize and facilitate a definite employee role in workplace decisions.

According to Armstrong & Baron, (2008), people and their collective skills, abilities and experience, together with their ability to use these in the interests of the organization that has engaged them improve individual performance and that of the entire organization. The practices of SHRM such as employee voice are concerned with how people are employed and managed in organizations in order to realize organization's targets through effective employee performance. Strategic employee voice assists in employee participation and involvement in decision making and the health facilities unions being given voice to represent the workers adequately.

Gonzalez (2009), gave different definitions of employee voice; first, the expression of individual dissatisfaction raised with line managers or through grievance procedure; secondly, as the expression of collective dissatisfaction raised by trade unions through collective bargaining or industrial action; thirdly, contribution to management decision making process through upward communication, problem solving, suggestion schemes and attitude surveys; and lastly, through mutual partnership agreements, joint consultative committees and work councils.

According to Morrison (2011), employee voice is discretionary communication of ideas, suggestions, concerns, or opinions about work-related issues with the intent to improve employee performance and successful organization. While Armstrong (2009) understands voice as a say that employees have at work comprising of involvement, participation, problem solving and communication. According to Stueart and Moran (2007), treating employees as stakeholders in the organization bears similar outcomes of improvement in performance. Employees who have developed significant firm-

specific human capital have invested in the organization and therefore have earned voice just as shareholders.

Providing voice to these employees provides a rationale for further emotional and human capital investment, which impacts positively on their performance. Furthermore, there is perceived linkage between employee voice and job satisfaction in their performance, (Morrison, 2011). According to Mueller (2012), employee voice in organizations impacts on quality and productivity of employees and inhibits issues that might explode. The degree to which employee voice is embedded in an organization is more important than reporting collective schemes. According to Marchington & Kynighou, (2012), it is important that the degree and extent of voice of employees within an organization be known as it is believed to have an effect on their performance.

Voice mechanisms in organizations differ just as they are captured in definitions of voice. According to Hall, Hutchinson & Purcell (2013) employee voice can take the form of joint consultation which involves managers and employee representatives meeting on a regular basis in order to exchange views, make good use of members' knowledge and expertise and deal with matters of common interest. McCabe, Loughlin, Munteanu, Tucker & Lam (2008) brings forward major areas that trade unions handle. These are matters relating to work environment which comprises staffing of employees, overtime and general working condition of the employees. Unions also handle matters that deal with employee treatment at the work place such as unfair discipline, harassment and abusive treatment, job insecurity and lack of response to complaints.

Lastly, unions address matters to do with management style such as fear, intimidation of employees, and lack of recognition in decision making process. Armstrong (2009), stated that Trade Unions have two major roles namely; to secure improved terms and

conditions for their members and to provide protection, support and advice to their members as individual employees. The other roles include providing legal and financial services to members whenever appropriate, (McCabe, 2008). This voice exhibited in trade unions enhances employee performance by bringing a conducive working environment within an organization. Employee voice can also be determined through attitude surveys according to (Armstrong, 2009).

According to Bernardin (2008), unions offer a voice to employees which can be used to develop rules that govern them. Employees normally find it necessary to form unions based on benefits and services that they offer to them. According to Bernadian (2008) unions achieve better wages for members, benefits and improved working conditions and this would mean that members in a union are more satisfied than non-union members. Exploring the employee attitudes at work is important in creating an environment that is conducive for employee motivation and this translates to positive performance (Mutiria, Rukangu & Kubaison, 2015).

Suggestion schemes which is another mode of voice are established procedures for employees to submit ideas to management with tangible recognition for those suggestions with merit, (Armstrong, 2009). They are known to reduce feelings of frustration where employees feel they have good ideas that are not recognized in the formal channel of communication. Organizations however should have a committee to vet suggestions so as to pick only what is appropriate. Participation is demonstrated when an employee plays a greater role in the decision-making process by management giving employees the opportunity to influence management decisions and also to contribute to the improvement of organizational performance (Kagaari, Munene & Ntayi, 2013).

Involvement, on the other hand is when management allows employees to discuss issues that affect them in order to enhance organizational commitment. Employee participation allows workers to put some influence over their work and the conditions under which they work, (Biswas & Varma, 2007). Direct participation may take place in self – determination, and goal setting plans by individuals, while at departmental level employees are formed into quality circles, and work in groups. At the organizational level, use of dialogue conference where employees are invited to offer their input to the planning and realization of the organization's strategy is widely used.

Indirect participation can be in form of unions where employees are represented (Juan, *et al*, 2007). Employee participation is one of the key pillars that are used to strengthen and enhance both the employee and the organization. According to Kubaison (2015) most common forms of direct participation include employee attitude surveys, problem solving groups' quality circles and decision-making work teams. Employee voice can also be through communication channels within an organization (Juan *et al*., 2007). Upward communication channels within organization provide avenues through which employees can express their views to management.

The conceptualization mode of participation which particularly identifies all the relevant aspects of voice is cited by (Armstrong, 2009). The degree of involvement, the scope of decisions opens to influence by workers, the level at which workers (or their representatives) are involved in management decisions, Sheehan (2009) and the different forms of voice. This model captures all important aspects in employee voice. Several studies carried in UK, Australia and Canada reveals several ways of how employee voice is expressed; voice as communication and exchange of ideas.

Through collective consultation processes, upward problem solving which is an opportunity for employees to provide feedback on specific topics or issues but not as a dialogue but as a way of providing ideas to increase employee performance in the organization, (Ojukuku *et al*., 2014). According to studies carried out by Kim, McDuffie & Pil, (2010), revealed that allowing employees to participate in decision making led to increase in motivation, and job performance. Studies reviewed by Ojukuku *et al*., (2014), show evidence that employee participation in decision making should be recognised as a managerial tool for improving their performance. This can be achieved by letting employees' input in developing the mission statement, establishing policies and procedures, pay determination, matters to do with promotion and even matters concerning employee benefits.

Makhamara, Waiganjo, Kwasira (2016) study found out that that strategic employee voice influenced employee performance in the health facilities in Kenya. From the study findings, the researcher recommends the use, implementation and sensitization of strategic employee voice contingent to the health facilities that will steer up employee performance. The researcher suggested a study to be carried out in both public and private hospitals to generalize the influence of employee performance.

The Kenya Medical Practitioners Pharmacists and Dentists Union (KMPPDU is the major voice that the health employees use to voice their concerns or grievances. The study also established that health workers in the county hospitals are members of KMPPDU which is the main union. The unions have voiced a lot of concerns of challenges that the health workers faced. The union had also put in place structures like signing of CBAs which when honored improve employee performance.

2.7 Theoretical Framework

This study was based on Expectancy Theory, Social Exchange Theory and Goal Setting Theory to establish the effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region.

2.7.1 Expectancy Theory

This study was based on Expectancy theory by Vroom (1994) which is used by organizations to understand how employee should be treated in order to get the best service delivery out of their efforts. It also argues that an employee performs a task with an expectation of receiving payment and when the payment is received and the employee is happy, then the employee improved on his performance next time because he expects the same treatment he received earlier. This theory showed the link between compensation and quality service delivery as described and elaborated by other researchers.

The expectancy theory focused on three key relationships: *effort-performance relationship* – the probability that putting in more effort at work would improve workers' performance; *performance-reward relationship* – the extent to which a person perceived that exerting effort of a certain degree would result in the achievement of an intended outcome; and *rewards-personal goals relationship* –the extent to which organisational rewards satisfied one's personal needs and the attractiveness of these potential rewards for that person. Herzberg was keen on finding out what workers wanted from their respective jobs. Thus, this theory of motivation was introduced, which emphasized on-the-job and the environment in which the job is carried out instead of basing it on human nature.

Herzberg conducted research by interviewing 203 accountants and engineers, asking them to state those issues that make them feel exceptionally good or bad while at work (Herzberg & Johns 1967). After interpretation of their responses, the results revealed that there were two distinctive sets of factors affecting motivation at work. The factors were identified as growth/motivators and maintenance/hygiene factors. These are sometimes referred to as satisfiers and dissatisfiers according to (Herzberg, 2002). These factors are related to either job context or content (Dunnette, Campbell & Hakel, 1967). Herzberg concluded that when employees felt good about their job, their response varied with others who felt bad about their jobs (Herzberg, 1968).

According to Herzberg (1966), hygiene factors or dissatisfiers included those factors whose existence either in quantity and quality at work tends to yield no dissatisfaction i.e. their existence does not motivate to yield satisfaction, but when such factors are lacking, workers will be dissatisfied. These factors include: company policy and administration; supervision; working conditions; job security, salary/monetary reward; personal relationship with supervisors; peers; and subordinates. Motivators or satisfiers on the other hand, are related to the job content which includes achievement, recognition responsibility, advancement/growth (on-the-job), and challenging work (Parker, 2003).

The presence of these factors in an organisation creates job satisfaction and a high degree of motivation. Similarly, when they do not exist in an organisation, job dissatisfaction might not necessarily occur. Managers that offer these hygiene factors would only create work harmony, not necessarily motivation (Herzberg, 1987). For this reason, Nathan (1970) suggested that managers should focus their attention on those factors that yield satisfaction or motivators (Nathan, 1970). Based on the above

propositions, Herzberg produced a dual continuum showing that the opposite of satisfaction is no satisfaction, and the opposite of dissatisfaction is no dissatisfaction (Wood, 2008).

Vroom (1994) expectancy theory states that the magnitude of behavior to perform in a particular manner is dependency on the high expectation that the performance will receive as reward. The likelihood that employee's effort will lead to expected performance by the employer and the belief that the performance will lead to reward to the employee motivates the employee to perform the task better. Expectancy is determined by possession of required skills for the task to be performed, availability of resources and favorable environment. Vroom found out that employees consciously decide whether to perform a task or not which is contributed by employee's motivation level. The county governments may use this theory to estimate the compensation an employee expects to get at the end of a certain task and also know the situations which affect the effort of the employee. The expectancy theory rejects the notion that workers have fixed sets of needs but on the contrary strives to consider human variability and complexity.

Nadler and Lawler (1983) summarized the assumptions of the expectancy theory as follows: individuals make conscious decisions about their own attitude in a place of work, particularly in respect to the amount of effort they are prepared to exert towards doing their tasks; behaviours and orientation of individuals towards work varies, and these are expressed in different needs, desires and goals, which are subjected to thorough analyses; individuals made a selection between the possible alternative from different forms of behaviour which they know. They prepare to choose any possible course of action that would result to outcomes they desire, or at least the option they think is likely to yield positive outcomes; and key factors to understand human

motivation is the need to find the different meanings individuals attach to their job and the environment at which the work is carried out.

The expectancy theory proposes that the strength of a tendency to behave in a particular way was relative to the strength of an expectation that the action would be followed by a desirable outcome. The theory argued that a worker is motivated to put more effort when he or she assumes that effort would result in good performance appraisal which in turn leads to extrinsic rewards such as: bonus, salary increment, and promotional opportunities. Subsequently, these compensation components would satisfy the worker's personal goals. Expectancy theory is so complicated that many studies found it quite difficult to test.

The theory proposed that, even though employees might have various sets of goals, they could be motivated, if they assumed that there is a positive relationship between efforts and performance, and that a good performance would yield a desirable monetary gain (reward). This reward subsequently would satisfy some pressing needs that are capable of making efforts worthwhile. Expectancy theories are concerned with a person's behaviour at work through observation and actual description of the processes capable of motivating individuals or groups. Expectancy is a general term for motivational theory which was developed based on the principles that individuals are influenced by the expected outcomes for any action taken (House, Shapiro & Wahba 1974).

The basis for these theories is a subjective expectation that a particular action would result to outcome. Herzberg's research has been criticized and challenged by some researchers because there is no evidence to back up his two separate and distinct factors. The theory only empathized on job satisfaction/dissatisfaction rather than job behaviour such as performance, absenteeism, or turnover. Specifically, the measures of various

parts of the model may lack validity, and the processes for investigating relationships among the variables or factors have usually been considered by researchers as less scientific (Moorhead and Griffin, 1995). The expectancy theory of Vroom (1964) and Lawler (1973) viewed that employees would decide to behave in a particular manner because they are motivated to choose a specific behaviour over others due to what they expect the outcome of that chosen behaviour to be (Oliver, 1974).

The theories proposed that selection of a particular behaviour over the other is based on the beliefs that certain outcomes would led to another desired result (Lee & Mowday, 1987). The main idea behind expectancy theory is that individuals tend to behave based on their expectations of positive outcomes. This theory suggests that employee's motivation level should be continually assessed by use of questionnaires, personal interview, or any other method that can determine employee behavior. In any situation, the greater the value of the rewards to individual as long as their needs and wants are met, the more the motivation and the high the performance of the employee.

2.7.2 Goal Setting Theory

The theory was advanced by Latham & Locke (2002), emphasized Goal Setting and encouragement of decision rights or employee voice as a basis for employee performance. According to Kagaari (2010), taking responsibility for results require that organizational members are given the opportunity to influence their results favourably and have the freedom to act. This implies that people have to be authorized by their managers to independently and swiftly act on problems without having to ask for permission first.

According to Armstrong (2009), employees are most likely to meet or exceed performance goals when they are empowered with the authority to make decisions and

solve problems related to results for which they are accountable. Voice allows greater involvement of employees in deciding on issues that affect their work, (Locke & Latham, 2002). According to Hash and Netting, (2007), employee involvement in decision making sometimes referred to as participative decision making (PDM) is concerned with shared decision making in the work situation. The contributions of individual and teams through team-based participation schemes in organizations are a starting point for enumerating the results that are accountable, (Armstrong, 2009).

The goal setting theory is important in supporting employee voice and specifically employee participation and involvement. The theory is appropriate especially where the senior health officers involved employees in the strategic decisions like recruitment and selection, reward and compensation systems and training activities before implementation (Mitchell, 2012). This motivates the workers since they simply implement their own decisions. The concept of participation is embedded in the constitution of Kenya of which counties are expected to involve its members in this area. The counties which involve its staff in decision making processes tapped fresh and new ideas that helped employees perform better (Juan, *et al*, 2007).

Departments in the hospital are given autonomy to come up with new ideas on how to run the hospital and passed their ideas to the top management in the county hospital. Therefore, goal setting theory is very relevant to the county governments in Kenya. Despite the benefits of goal setting, there are a few limitations of the goal-setting Process (Locke & Latham, 2002). First, combining goals with monetary rewards motivates many organization members to establish easy rather than difficult goals. Critics of this theory indicate that organization members might have negotiated goals with their supervisor that they have already completed. Second, goal setting focuses on

organization members, on a narrow subset of measurable performance indicators while ignoring aspects of job performance that are difficult to measure.

Third, setting performance goals is effective in established jobs, but it may not be effective when organization members are learning a new, complex job. As a result, the focus of this study was on compensation management such as direct, indirect and non-financial compensation with the aim of attracting, retaining and developing health workers. Therefore, this study used the theory to explain the effect of employee voice on the relationship between compensation practices and quality service delivery in public health facilities in North Rift counties.

2.7.3 Social Exchange Theory

Social exchange theory is one of the major theories of social interaction in the social sciences. Homans, Blau, and Emerson were the key theorists who developed the original theories of social exchange. Social exchange theory has its origins in the field of sociology in the work of George, Homans and Peter Blau. Homans' (1958) famous paper entitled ‘Social Behavior as Exchange’ laid the foundations of this orientation to the study of behavior. The primary focus of his work is what he referred to as ‘sub-institutional’ or elementary behavior, the actions of individuals in direct interaction with one another that form the bedrock of groups and organizations. He contrasted elementary behavior with institutionalized forms of behavior, such as that involved in conforming to norms or to role prescriptions for appropriate behavior.

Unlike traditional economic exchange based on the quid pro quo exchange of tangible resources (Blau, 1964), social exchange includes intangible social costs and benefits (friendship and caring) but does not require reciprocal rewards such as return of investment (Gefen and Ridings, 2002). Researchers have characterized social exchange

as an exchange through socio-emotional benefits, mutual commitment and trust among parties, and a long-term relationship (Blau, 1964; Van Dyne, Graham, and Dienesch, 1994). Also, social exchange is based on the implied cooperative intentions among parties in exchange interaction, which refer to a party's belief that the other party will provide reciprocal rewards (Blau 1964; Emerson, 1976).

Social exchange theory has been the major foundational framework of organizational research such as organization-employee relationship (Bolino, Turnley, and Bloodgood, 2002) and employee organizational citizenship behaviors (Organ, 1990). Rupp and Cropanzano (2002) state that people in social exchange relationships are more likely to identify with parties with whom they are engaged compared to those in economic exchange relationships. This difference reflects how employees in a favorable relationship of social exchange are more likely to take part in behaviors that lead to positive consequences for the organization because they may identify the well-being of the organization with their own well-being and because they may perceive a responsibility to help the organization (Lavelle, Rupp, and Brockner, 2007).

Scholars have utilized this theory to conceptualize social exchange in the workplace as a series of mutual, obligation-based exchanges between interdependent parties (Blau, 1964). Exchanges at work are often governed by reciprocity norms (Gouldner, 1960) such that when individuals receive something from another individual, group, or organization, they feel compelled to reciprocate, typically in kind (positively or negatively). Moreover, the theory differentiates between two types of exchanges (Blau, 1964), with social exchanges involving unspecified obligations and economic exchanges encompassing specified obligations.

Notably, social exchanges require trust between parties whereas economic exchanges do not. In the context of psychological contracts, when employees believe that the organization has not adequately fulfilled its obligations as promised, they may become motivated to reciprocate this unfavorable treatment. Social exchange theory argues that individuals direct their reciprocation efforts toward the source from which benefits are received (Blau, 1964). Social exchange relationships evolve when an 'individual who supplies rewarding services to another obligates him. To discharge this obligation, the second must furnish benefits to the first in turn' (Blau, 1964).

In other words, social exchange entails 'an unspecified obligation' (Blau, 1964); when one person does another a favour, there is an expectation of future return, although when exactly it will occur and in what form is unclear (Wayne, Shore, and Liden, 1997). To the extent that both parties apply the reciprocity norm to their relationship, favourable treatment by either party is reciprocated, leading to mutually beneficial outcomes (Rhoades and Eisenberger, 2002). In line with the above reasoning, three types of social exchange have been analysed in the literature, namely between: 1) organisations and customers, 2) employees and customers, and 3) customers and customers. For example, Solomon et al. (1985) argue that communication between service employees and customers is a reciprocal process. Bagozzi (1995) proposes that reciprocity is present in customer-firm relationships. Recently, it has been suggested that customers generally maintain relational exchanges with employees (Singh and Sirdeshmukh, 2000).

In addition, some recent research has demonstrated that it is possible for customers to receive social support from other customers (Rosenbaum and Massiah 2007). Through continuous interaction with an organisation, customers can perceive support from the

organisation, just as employees would do. As a result, customers may feel better about service delivery, be aware that the organization recognizes and rewards their 'performance' (participation), and finally be satisfied with the organisation. Perceived customer support is defined as the degree of consideration expressed by other customers. Customers in service delivery situations interact with other customers.

Because they create a positive social environment for the service experience and an opportunity to socialize, they perform a reciprocal role with other customers and thus contribute to service performance and satisfaction (Zeithaml and Bitner, 2003). Empirical evidence links interaction among individuals to improved communication, cooperation, and satisfaction (Glaman, Jones, and Rozelle, 2002). Previous research also suggests that group members can provide each other with social support and feelings of personal worth, which lead to feelings of loyalty (Sherony and Green, 2002).

In addition, research demonstrates that coworkers' perceived support is vital to the accomplishment of tasks and related to intangible issues (morale) (Susskind, Kacmar, and Borchgrevink, 2003), which lead to satisfaction. It has been argued that individuals experiencing positive team interactions are more cooperative and conscientious (Seers, Petty, and Cashman, 1995). Therefore, these processes are likely to produce higher levels of performance and greater satisfaction. During the service delivery process, perceived customer support enables customers to cooperate with each other, which promotes effective service delivery. As a result, customer satisfaction will increase.

Perceived service provider support is defined as the degree of consideration expressed by the service provider. Applying social exchange theory (Blau, 1964), the present research predicts that perceived service provider support is related to customer satisfaction. According to social exchange theory, when individuals are in a high-

quality and positive relationship, they behave in ways that will benefit their exchange partner (service provider), such as performing efficiently and exerting extra efforts. As a result, the production and delivery of service is enhanced, which in turn leads to customer satisfaction. The organisational literature could help us understand the relationship between perceived service provider support and customer satisfaction.

Frequent relationships with supervisors may provide employees with affective support (personal attention), and this will induce a positive appraisal of the environment and increase job satisfaction (Babin and Boles, 1996). A similar process might apply to service providers and customers. The present research argues that the role of service providers is similar to that of supervisors. In the service exchange, service providers direct customers to follow certain standards, rules, and procedures for service delivery (Zeithaml and Bitner, 2003). Customers then draw on the help and assistance of service providers to complete the production process.

By applying supervisor-employee relationships to customer-service provider relationships, it is expected that the greater the perceived support of service providers by customers, the greater the perceived satisfaction. A key paradigm in examining workplace relations is social exchange theory (SET). Its basic premise is that human relations are formed based on subjective cost–benefit analysis, so that people tend to repeat actions rewarded in the past, and the more often a particular behavior has been rewarded, the more likely its recurrence (Homans, 1958). Social exchange occurs between two or more actors who are dependent on one another for valued outcomes.

The social exchange theory has been criticized on several fronts. One major obstacle in the empirical evaluation of the concept is the subjective nature of costs and rewards, which may differ in value between different people, over time, or through comparisons

with other people or rewards. The social exchange model also typically tests how exchanges affect relationships and sexual variables; meanwhile, very little research has been conducted on how the quality of a relationship affects exchange variables. The social exchange theory nevertheless demonstrates that sexual decision-making is grounded in a broader social context that regulates the risks and benefits of sex. It also demonstrates how broad social movements, such as gender equality and feminism, can alter the sexual landscape and affect decision-making.

2.8 Empirical Review

The previous studies viewed workers' compensation as a single research construct, but this study considered it as a multi-faceted variable construct involving direct, indirect and non-financial compensation. Moreover, no research has yet been reported to have study such compensation aspects in public health facilities. Critically, compensation has also not considered the contribution of its different components (Salisu, Chinyio and Shubashini 2016a & Salisu, Chinyio and Shubashini 2016b). This study thus built on previous knowledge by researching compensation not as a single construct but as a compounded concept.

Kadhim (2017) did a study on relationship between compensation strategy and reward management on organizational performance on Iraqi Oil Companies. He found out that **c**ompensation plays a vital role to organizations success and performance. The study highlighted an optimistic and positive association between compensation and reward management on organizational performance. He found out that there is a direct link between **c**ompensation and organizational performance since it influences employees' attitudes and behaviors, which ultimately influences organizational

performance. Compensation and rewards management have a significant relationship with organizational performance.

Aduda (2011) did a research on the relationship between executive compensation and firm performance in the Kenya banking sector. The study found out a negative non-significant relationship between executive compensation and performance of commercial banks in Kenya. Dobre (2013) did a study on employee motivation and organizational performance. The aim of the study was to analyze the drivers of employee motivation to high levels of organizational Performance. The study showed that, factors such as empowerment and recognition increase employee motivation. If the empowerment and recognition of employees is increased, their motivation to work will also improve, as well as their accomplishments and the organizational performance.

Katua (2014) did a study on effect of reward and compensation strategies on the performance of commercial banks in Kenya. The study sought to investigate the effect of reward and compensation strategies on the performance of commercial banks in Kenya. It was found that, reward and compensation strategies have a significant positive effect on performance of commercial banks in Kenya. The study established that banks are currently emphasizing on rewarding and compensating their employees.

A study by Simiyu (2014) looked at the influence of HR function on employee performance in devolved governments a case of Mbagathi hospital and called for further studies to be undertaken in Kenya for generalization of the findings of the study. The researcher also noted that the variables in the study accounted only for 69% influence on employee performance and called for further research on other factors

specifically in the Health facilities in Kenya which may include employee voice, lack of enough finances, welfare services to employees and leadership styles.

Mwakesi, (2014) investigated factors hindering professionals from achieving hospital goals at Moi Teaching and Referral Hospital, Kenya. The study findings revealed that the health professionals recruit or work with HR personnel to help them manage the hospitals better. The study also established that the factor of playing double roles took most of their working time hence less was achieved in terms of performance by the health professionals. It recommended that the education system in Kenya develop management curriculum for health professionals to help them handle their tasks in health facilities incorporating HRH for management purposes.

According to Muchomba (2014), it was not only funding that impacted on health outcomes and quality service delivery. But rather having the right governance and accountability structures as well as managerial capacity, these were believed to have a stronger impact on performance. The study noted that managerial capacity was a prerequisite for devolution to achieve its goals. The study recommends that county government hospitals adopt effective remuneration system that enhanced employee performance and motivation for better productivity. A study should be undertaken to establish the impact of devolution on the productivity of the staff in the health facilities.

A study by Cheruiyot & Kwasira, (2013), looked at the challenges of devolving HR function in Kenya and specifically Nakuru County, the researcher recommends that central government provide framework of creating awareness and information related to the significance of devolved HR function in Kenya. The study established that lack of line manager's HR skills, apathy towards HR, complaints about increasing

workload, inconsistency and new dimension of ethnicity. The study also recommends similar study to be carried out in other counties in Kenya to establish the challenges affecting employees at workplace.

In his study, Anyango *et al.*, (2015) looked at the meaning and application of employee voice in organization and recommends that further research be carried out on the significant of employee voice on employee performance in the devolved health facilities. This could help employees understand the importance of speaking up for their rights. While a good number of empirical evidences established the link between various types of rewards and compensation and employee performance (Mensah & Dogbe 2011, Sajuyigbe, Olaoye & Adeyemi 2013), research on the effect of performance-pay, organizational benefits, bonuses had eluded the researchers, and especially in the context of devolved health facilities in county governments in Kenya.

The literature on motivation suggests that there are two categories, extrinsic and intrinsic. It is evident from existing knowledge on incentive compensation in general that using incentives in workplace results in employee effectiveness and subsequent increase in service delivery (Tetteh, Fentim & Dorothy, 2015). Tetteh, *et al*, (2015), posit that intrinsic factors are considered to be those rewards (or outcomes) that derive directly from or are inherently connected to the job/task, such as recognition, degree of autonomy and responsibility, sense of accomplishment and growth, demanding and challenging job.

In contrast, extrinsic factors are considered to be those rewards (outcomes) which are seen as being external to or separate from the task, and form part of the job context or environment, such as pay, working conditions, and job security. According to Imberman (2015), who researched into the impact of financial incentives on student

performance, asserted that many has supported the idea of incentive pay given to teachers as the cause of increase in students performances. Hence the need to foster teachers to put in as much effort as they could, given such incentives in improving student performance.

Tetteh *et al*., (2015) relates their findings to Imberman (2015), in their research into employees' incentives and performance relations at Ghana Oil Company limited in the southern zone, Ghana, and claimed that employee's job performance and satisfaction depends on incentive packages from their employers. The proper and attractive motivational tool must be developed and maintained couple with good working environment and rewards for hardworking employees fosters workers to be satisfied in executing their assigned duties.

Kimungu & Maringa (2010) that employee factors affect service quality study however focuses on employee turnover and how it relates to customer satisfaction in services and competitiveness of an establishment. According to the study, lack of proper orientation and training made it difficult for new recruits to internalize establishment service standards which are key foundation for quality service. In a study carried out by Atambo (2012), investigations carried out on the relationship between employee recognition and individual performance at Kenyatta National Hospital, using cross-sectional survey design to obtain data on a target population of forty (40) different cadres of staff. The study established that career advancement opportunities, compensation and recognition strategies translated in improved employee performance.

Koech & Namusonge (2012) study on the effect of leadership styles on organizational performance at state corporations in Kenya used a descriptive survey research based

on the perceptions of middle and senior managers in thirty (30) state-owned corporations based in Mombasa, Kenya was undertaken. The study found out that the correlations between the transformational-leadership factors and organizational performance ratings were high, whereas correlations between the transactional-leadership behaviors and organizational performance were relatively low.

Jepkorir (2014) attempted to establish the effect of trade unions on organizational productivity in cement manufacturing companies in Nairobi. Using a sample of three unionized cement companies and the results obtained indicated that trade unions play an important role in the work-life of their members. The activities discharged such as collective bargaining, striking actions, employee representation, embolden workers and eventually make them confident and productive thus spurring organizational productivity. Gichaba (2011) researched on the perceived influence of trade unions on terms and conditions of service and job security of employees at Kisii University in Kenya. The study was conducted at Kisii University located in Kisii town. The target population for this study was both the academic and non-academic staff in Kisii University under KUSU, KUDHEIA and UASU, a total sample of 809 employees who are in different departments was used.

Several studies have also been carried out on state corporations in Kenya, Sabwami & Gachunga (2014), Waiganjo, Mukulu & Kahiri (2013), on Manufacturing organizations in Kenya, Mutua, Ngui, Osiolo, Aligula & Gachanja (2012), on HRM and performance of financial cooperatives, and Midida, (2014), on Civil service in Kenya and Wanjau, Muiruri and Ayodo (2012) on provision of service quality in public health facilities a case of Kenyatta Hospital. A study by Wanjau *et al.,* (2012) in the Kenyan health facilities revealed that low employee capacity affects delivery of

service quality to patients in public health facilities affecting health service quality perceptions, patient satisfaction and loyalty.

Njoroge (2015) sought to establish the effect of integrative leadership style on organizational commitment as moderated by employee participation in technical institutions in Kenya. Employee participation was also found to moderate the relationship between integrative leadership style and both affective and normative commitment. Employee participation was found to have a mediating effect on the relationship between integrative leadership style and organizational commitment. There was no mediating effect on the relationship between integrative leadership style and continuance commitment. This study established the mediating effect of employee voice on the relationship between compensation management and quality service delivery.

Table 2.1 Summary of Research Gap

	Authors	Topic	Methodology	Findings	Research Gap
1.	Kadhim (2017)	Relationship between SHRM and Organizational Performance among Iraqi Oil Companies	Quantitative method and structural equation modelling was utilized. Data analysis using Structural Equation Modelling (SEM).	Results indicated that SHRM practices (recruitment and selection, training and development and compensation and rewards) are directly linked with organizational performance.	This study focused on the effect of SHRM practices on the organization performance and not employee performance
2.	Salisu, Chinyio and Shubashini (2016a)	The influence of compensation on public construction workers' motivation in Jigawa state of Nigeria	The data was analysed using both descriptive statistics and Structural Equation Modelling SEM.	The Structural Equation Modelling established that allowance and gratuity do positively and significantly influence public construction workers' motivation in Jigawa state, Nigeria.	This study focused only on compensation of workers in Nigeria
3.	Idemobi, Onyeizugbe and Akpunonu (2011)	Compensation management as tool for improving organizational performance in the Public Sectors in Nigeria	Descriptive survey design was adopted. Pearson's Product Moment Correlation was used for data analysis	It was found that financial compensation for staff members in the public service do not have a significant effect on their performance and that financial compensation received are not commensurate with staff efforts.	The study was carried in Nigeria civil service
4.	Muchiri, (2016).	Effects of rewards on employee performance in the hospitality industry: A case of Nairobi Serena Hotel	Descriptive survey design Data analyzed using descriptive and inferential statistics	The multiple regression analysis revealed that (68%) of employee performance was attributed to intrinsic rewards, extrinsic rewards, and other factors.	This study only focused on rewards and was carried out in hospitality industry
5.	Makhamara, Waiganjo,	Influence of Strategic Employee Voice on Employee	The study used descriptive and cross-sectional survey design	The study revealed that Strategic Employee Voice had a significant influence on employee	This study was carried out only in four level five (5) hospitals in county governments.

	Kwasira (2016)	Performance in the Health Sector in Kenya	Both descriptive and inferential statistical techniques were used to analyse data. Multiple linear regression models used	performance in County Hospitals in Kenya (β=.894, p-value<0.05). Established that county hospitals did not consult their employees before making key decision on issues touching them.	The study used Strategic Employee Voice as an independent variable and not a mediator
6.	Oduor, (2013).	Integrity in the Public Health Sector Service Delivery in Busia County.	The study used individual/household interviews, Focus Group Discussions (FGD) and facility exit interviews.	Majority (61%) of the respondents indicated that the nature of services provided in public health facilities was poor	The study focused on the effect of corruption on service delivery
7.	Simiyu (2014).	Influence of HR Functions on Employee Performance in the Devolved Health Sector in Kenya: A case of Mbagathi District Hospital.	The study adopted descriptive research design. The study adopted correlation and multiple regression analysis	The findings show that an increase in recruitment process will lead to a 0.679 increase; reward will lead to a 0.852 increase; training will lead to a 0.545 increase and work environment will lead to a 639 increase in employee performance in the devolved health sector positively.	This study only focused on HR functions and employee performance
8.	Wanjau, Muiruri and Ayodo (2012)	Factors affecting provision of service quality in the public health sector Kenyatta National Hospital	The study adopted descriptive survey approach Data analyzed using descriptive statistics and regression analysis	Low employee's capacity (0.981); Inadequate Technology adoption (0.917), ineffective communication channels (0.768) and insufficient financial resources (0.671) resulted to decrease in provision of health service quality.	This study was based on general factors not compensation that affect service delivery
9.	Muchomba (2014).	Influence of devolved Governance and Performance of the Health facilities in Kenya.	The study adopted the descriptive survey research design. Data was analyzed using descriptive statistics	The devolved procurement process, organizational leadership, resources allocation and availability as well as policy and regulatory framework had a significant influence on the performance of the level four hospitals and the overall health sector.	This study only focused on the devolved governance as independent variable

2.9 Conceptual Framework

Conceptual framework is the graphically representation of the relationships between independent variables and dependent variable. In order to bring to light the mediating effect of employee voice on the relationship between compensation management and quality service delivery in Health facilities in North Rift Counties, a conceptual framework is developed as shown in Figure 2.1 below. The conceptual framework included the independent variables which consist of direct compensation, indirect compensation, non-financial compensation and also the various compensation packages.

The dependent variable is the service delivery in the health facilities. Mediating variable (the employee voice) in this study affects the relationship between the independent and dependent variable. The inter-relationship between the compensation management and quality service delivery was established. The direct financial compensation consisted of pay received in the form of wages, salaries, bonuses and commissions provided at regular and consistent intervals.

Indirect financial compensation included financial rewards that are not included in direct compensation and can be understood to form part of the social contract between the employer and employee such as benefits, leaves, retirement plans, education, and employee services. The study assumed that there is a relationship between the direct and indirect compensation practices and quality service delivery. Non-financial compensation included working environment, flexible working hours, job trainings, safe and secure environment. In determining effective compensation, however, the uniqueness of each employee must also be considered. People have different needs or reasons for working.

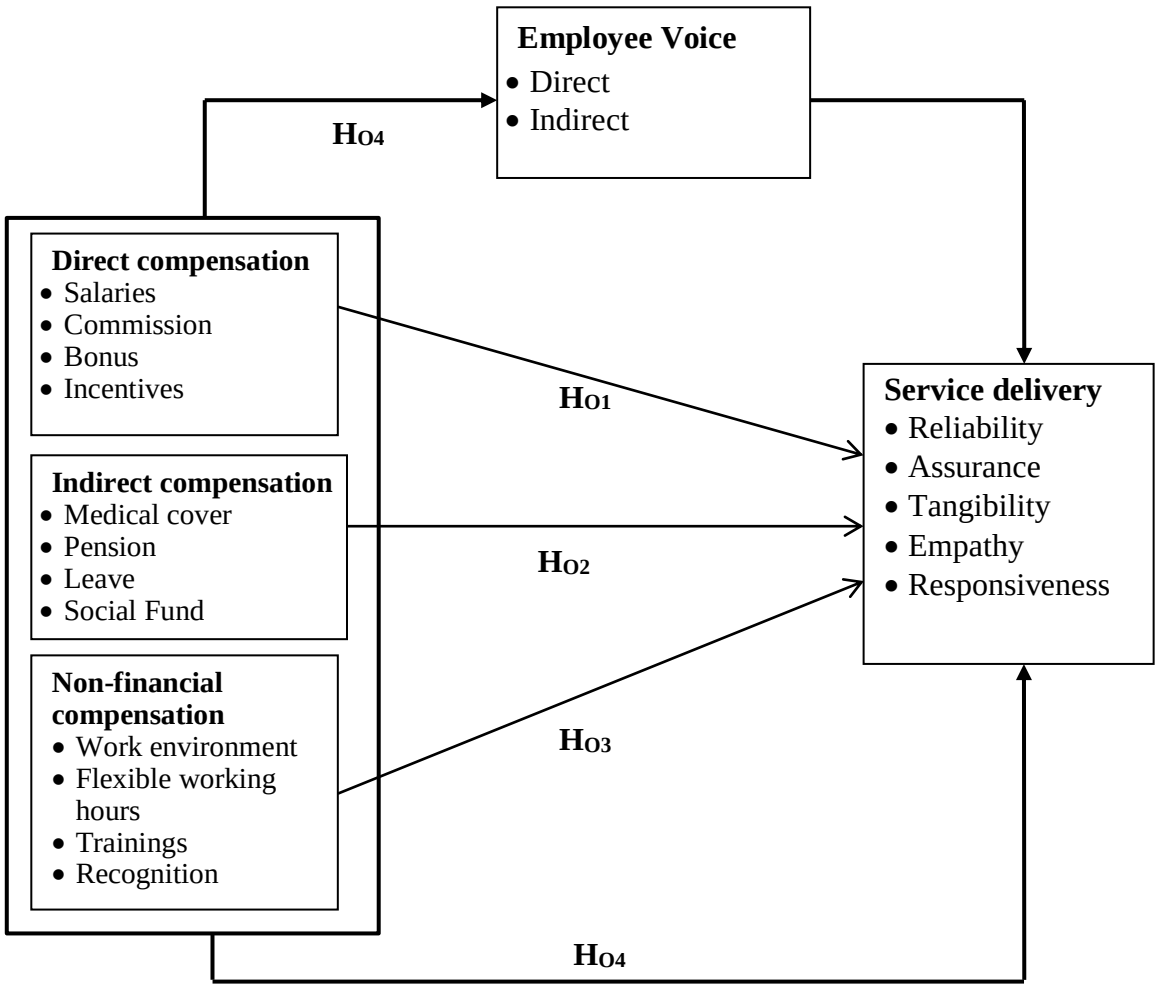

Figure 2.1: Mediating effect of employee voice on the relationship between Compensation management and quality service delivery in County Referral Hospitals in North Rift region

Source: Researcher, 2019

The most appropriate compensation met these individual needs. To a large degree, adequate or fair compensation is in the mind of the employee. A good compensation strategy includes a balance between internal equity and external competitiveness. Compensation and benefits affect the employee service delivery and happiness of employees, as well as the ability of the organization to effectively realize its objectives. It is clear that compensation represent a double-edged sword.

Employers know that in order to attract, retain and motivate employees with the necessary capabilities and in order to enhance their performance they must offer appropriate compensation. Compensation management includes money paid directly (such as wages and salaries) and money paid indirectly (such as benefits, incentives, career development, recognition and working environment). Direct monetary compensation depicts the wage and wages paid to staff for the services offered at intervals a set amount of your time.

Indirect monetary compensation presents the advantages like leave; insurance and tuition compensation that area unit meant to inspire and retain staff. this could not have fast impact on the productivity of staff however makes staff to range the goals and objectives of the corporate and not the wage and remuneration ones attracts from there. There's lack of the length such compensation desired impact on the productivity of staff.

The non-financial compensation area unit the rewards that don't seem to be financial like operating atmosphere, training, career development and recognition that are the motivating factors that enhance worker productivity. The studies didn't clearly indicate the however every of the factors guarantee productivity of staff total remunerate is with respect to amplifying the combined shift of compensate components adapted toward worker inspiration, employee voice and commitment. The study didn't articulate in any case total reward will relate to elective worker has to encourage their productivity.

The previous studies conducted so far on both private and public sectors were quite limited as they did not consider employee voice on the relationship between compensation management and quality service delivery in the public County Referral Hospitals. No previous study has been reported on compensation as a multifaceted

attitude in either the public or private health facility, particularly in the area of Referral Hospitals.

The current study addressed shortcomings and gaps in the previous researches in order to provide a substantive view on the construct of compensation management and its relationship with the quality service delivery. It is evident that there are virtually no studies on the effect employee voice on the relationship between compensation management and quality service delivery in public hospitals in Kenya with a specific reference of North Rift Region.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter presents the research design, study location, target population, description of the sample and sampling procedures, description of the data collection instruments, validity and reliability of the research instruments, data collection procedures, data analysis procedures and ethical considerations.

3.1 Research Paradigm

This study was guided by pragmatist paradigm, since it combines the qualitative and quantitative approaches within different phases of the research process (Tashakkori & Teddlie, 2010). Pragmatist researchers focuses on the 'what' and 'how' of the research problem (Creswell, 2003). Pragmatism is seen as the paradigm that provides the underlying philosophical framework for mixed-methods research (Tashakkori & Teddlie, 2010; Somekh & Lewin, 2005).

Pragmatism is generally regarded as the philosophical partner for the mixed methods approach. It provides a set of assumptions about knowledge and enquiry that underpins the mixed methods which distinguishes the approach from purely quantitative approaches that are based on a philosophy of (post) positivism and purely qualitative approaches that are based on a philosophy of interpretivism or constructivism (Johnson & Onwuegbuzie, 2004; Maxcy, 2003; Rallis & Rossman, 2003). Since this research used quantitative and qualitative approaches, this paradigm is deemed appropriate for this study.

A major advantage of using this type of paradigm in the study is that it enabled the researcher to simultaneously answer confirmatory questions regarding the effect of

employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region using closed ended questionnaires and interview schedule.

3.2 Research Design

This study adopted explanatory research design. Zikmund, Babin, Carr & Griffin (2010) views that the major purposes of explanatory study are to examine the cause-and-effect relationships among variables, and testing hypotheses to evaluate the worth of theories and the capability of given theories in making predictions about social phenomena. Explanatory research has the merits of higher reliability and internal validity (McDaniel and Gates, 2013). The design was appropriate for the study as it allows the study to be carried out in the natural settings and researcher employ probability samples. This allowed for statistical inferences made on the broader populations and permit generalizations of findings to real-life situations, (Frankfort-Nachmias & Nachmias, 2008).

The probability sample minimizes bias and enhances reliability of data. According to Hair, Black, Babin, Anderson and Tatham (2006) explanatory design allow the use of questionnaires and thus use of inferential statistics in establishing the significance of the relationship between variables. Explanatory research evaluated the cause-and-effect relationships that exist between two or more constructs and it is suitable because the study mainly was concerned with quantifying a relationship or comparing groups purposely to identify a cause-effect relationship.

A major advantage of using explanatory research design is that it enabled the researcher to simultaneously answer confirmatory questions regarding the effect of employee voice on the relationship between compensation management and quality service

delivery, through both open and closed ended questionnaires and interviews. The study solicited for both qualitative and quantitative data which was analyzed descriptively and inferentially.

3.3 Study Area

The study was carried out North Rift Economic Block (NOREB) region in Kenya which includes Uasin Gisu, Nandi, Elgeyo Marakwet, West Pokot, Trans Nzoia, Turkana, Baringo and Samburu counties. These counties are in the process of ratifying a Bill to operationalize a working formula for the region. The latest development comes as the regional economic bloc finalizes its process of engaging member county assemblies to endorse the NOREB Ratification Bill, 2019, to give it legal status and also anchor it as a budget item in the counties. The North Rift is endowed with agricultural advantages, tourism, sports, rich culture, natural resources, including the recent oil discovery. Thus, the provision of better health care services is vital. The region was used as a representative of other economic blocs within the country.

3.4 Target Population

Target population of a study is a group of individuals taken from the general population who share a similar characteristic. The target population of the study was the health workers working within NOREB county referral hospitals. The respondents were suitable since they provide health care services within the NOREB region and receive compensation. For this study, target population comprised of 481 health care staff, working within NOREB region comprising of 8 Medical Officers of Health (MOH) 19 Medical Doctors, 65 Clinical Officers, 67 pharmacist and 322 Nurses, drawn from eight counties as shown in Table 3.1.

Table 3.1 Target population

County	MOH	Medical Doctors	Clinical officers	Pharmacist	Nurses	Target population
Nandi	1	3	10	12	46	72
Uasin Gishu	1	2	9	10	43	65
Elgeyo Marakwet	1	2	8	8	39	58
Baringo	1	3	9	9	44	66
West Pokot	1	3	8	9	38	59
Samburu	1	2	7	6	38	54
Trans-Nzoia	1	2	7	7	37	54
Turkana	1	2	7	6	37	53
Total	**8**	**19**	**65**	**67**	**322**	**481**

Source: Kenya Health Workforce Report (2019)

3.5 Sampling Procedure and Sample Size

Sampling is the process of selecting a given number of subjects from a defined population as representative of that population (Orodho, 2009). Sampling is that part of statistical practice concerned with the selection of individual observations intended to yield some knowledge about a population of concern, especially for the purposes of statistical inference. It is the act, process or technique of selecting a representative of a population for the purpose of determining parameters or characteristics of the whole population. A sample of the health workers from NOREB counties was obtained for the purpose of drawing conclusions about population targeted.

The stratified sampling technique was used to categorize health staff into Medical Doctors, clinical officers, pharmacist and nurses, each forming a stratum. According to Saunders *et al.,* (2007) stratified sampling technique also provide a better comparison across the strata. Stratified random sampling was appropriate as it enabled the researcher to represent not only the overall population but also key sub-groups of the population. The study used purposive sampling to select 8 Medical Officers of Health.

All the MOH was involved in the study because they are in charge of management and supervision of health facilities in the county.

This study employed simple random procedure to select 8 Medical Doctors, 30 pharmacist, 29 clinical officers and 143 nurses who participated in this research from the county hospitals. Simple random sampling was a major sampling technique because each respondent had an equal chance of inclusion in the sample. It was appropriate because the entire population is relatively large, diverse and sparsely distributed, hence random sampling technique would help to achieve the desired objective. The sampling technique gave each health worker in the population an equal probability of being in the sample.

Sampling involves drawing of a target population for observation. It was appropriate when it is not feasible to involve the entire population under study. Polit and Hungler (2005) argue that it is difficult to give precise rules on what sample size is suitable. The major issue in sampling is to determine samples that best represent the population so as to allow for an accurate generalization of results. Using Yamane's sample size for proportions (1967), at 95% confidence level, P = 0.05, the sample size was computed as hereunder:

$$\mathbf{n} = \frac{N}{1 + N(e)^2}$$

Where;

n = the sample size,

N = the population size,

ε= the acceptance sampling error

$= 481/1+481\ (.05)^2$

$=481/2.2025$

$=218.4$ respondents

From the target population of 481 staff, the researcher used proportionate sampling to select 218 health workers as summarized in Table 3.2.

Table 3.2 Sampling Size

County	**Respondents**					**Sample Size**
	MOH	**Medical Doctors**	**Clinical officers**	**Pharmacist**	**Nurses**	
Nandi	**1**	**1**	4	5	21	32
Uasin Gishu	**1**	**1**	4	4	19	29
Elgeyo Marakwet	**1**	**1**	4	4	17	27
Baringo	**1**	**1**	4	4	20	30
West Pokot	**1**	**1**	4	4	17	27
Samburu	**1**	**1**	3	3	17	25
Trans-Nzoia	**1**	**1**	3	3	16	24
Turkana	**1**	**1**	3	3	16	24
Total	**8**	**8**	**29**	**30**	**143**	**218**

Source: Author (2019)

3.6 Data Collection Instruments

Primary data was collected from the respondents using questionnaires and interview schedule. According to Best & Kahn (2008) closed ended questions yield quantitative data, while interviews yield qualitative data which describe changes. The combination of these methods helped to complement the advantages of each method and yield more valid and reliable findings.

3.6.1 Questionnaire

Primary data was collected by use of structured questionnaire that captured the various variables of the study. Questionnaires are set of questions which give answers of the

research participants in a set of ways. According to Kombo and Tromp (2006), a questionnaire is a research instrument that gathers data over a large sample. Most questionnaires are designed to gather already structured data and so include a set of answers which the respondent can choose from, although some may include more open-ended questions which allow the respondent to answer the question in their own way; others give a provision where all the participants are asked the same questions in the same order and using the same wording and have the same set of answers to choose from (Matthews & Ross, 2010).

According to Kothari (2008), questionnaires are usually free from the interview bias as the answers are in respondent's own words. Respondents had an adequate time to give well thought out answers. Questionnaire is an efficient research tool which when used the researcher obtained personal ideas from a respondent. It also allowed the participants to give their own opinion on the issue at stake (Matthews & Ross 2010). The questionnaire was designed to address specific objectives and that it had closed-ended questions.

It was administered to the Medical Doctors, clinical officers, pharmacists and nurses working in county referral hospitals in North Rift Region who participated in the study. The closed ended items gave precise information which minimize information bias and facilitate data analysis. Unless otherwise stated, all variables were measured on a 5-point Likert scales ranging from 5= strongly agree to 1= strongly disagree. The respondents were asked to indicate the extent to which they agree or disagree with various statements.

3.6.2 Interview Schedule

Orodho (2008) postulate that many people are willing to communicate orally than in writing and provide data more readily and fully than on a questionnaire. According to Kumar (2006), the advantages of using a structured interview is that the researcher is able to clarify any queries concerning the questions. This ensured that answers are reliably aggregated and allow comparisons to be made. In this study, a structured interview schedule was used to gather information from the selected medical officers of health working in NOREB region. An Interview Schedule ensured that answers are reliably aggregated and allow comparisons to be made.

3.7 Reliability and Validity of the instruments

A pilot study was carried out in Kericho County Hospital because it has similar characteristics to those counties under the study. A pilot study was conducted among one medical officer of health, two Medical Doctors, 7 pharmacist, 12 clinical and 22 nurses. The purpose of the pilot was to establish the validity and reliability of the instruments.

3.7.1 Validity

In a quantitative study, validity refers to the extent to which a concept is appropriately measured (Heale and Twycross, 2015). Three points are critical in establishing validity in quantitative research. First is the intend population of the study; Second is the purpose of the test and last is the form of the test for validity. This implies that if a study relates to the construction sector the respondents should be in that sector for the study to be valid. The validity should have a purpose, it should either be intended to ensure that the instrument measures what it is intended to measure. Therefore, validity test falls into four forms, face validity; content validity; criterion validity; and construct validity.

The face validity refers to an expert's evaluation of research instrument, particularly relating to language usage and understandability (n). Face validity was established in this research through pilot study. The content validity involves the extent to which the research instrument captures all aspects of the construct to be measured (Heale and Twycross, 2015). It also considered how appropriate the items were used in measuring the construct. Construct validity refers to how well a research instrument measures what is supposed to measure (Heale and Twycross, 2015). Put differently, it measures how statistically meaningful the items are in measuring a construct. This form of validity was established through the statistical measurements in this research.

Validity is the extent to which a construct measures what it is supposed to measure (Zikmund *et al.,* 2010). According to Borg and Gall (2003) content validity of an instrument is improved through expert judgment. To determine content validity of the instrument, the researcher sought suggestions from a panel of lecturers at the School of Business and Economics at Moi University. The study established the content and face validity to assess the accuracy, meaningfulness, appeal and appearance of the data collection instruments.

The expert opinion in this case was the supervisors who assessed the data collection tools meant to establish the effect of employee voice on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region. They reviewed and analyzed the contents of the questionnaire and interview schedule to ascertain if the instruments were suitable for the purpose for which they are set. Their suggestions and comments were used as a basis to modify the research items and make them adaptable to the study.

3.7.2 Reliability

Reliability means the statistical consistency of a measure of a particular construct (Heale and Twycross, 2015). In a survey relating to motivation, the participants were expected to give similar responses on that construct each time they are asked to complete the same survey. There are two most common measures of construct reliability; Cronbach's alpha and composite reliability (Peterson and Kim, 2013). The instrument was administered in a consistent fashion to enhance reliability.

The questionnaires were assessed for their reliability through a pilot study and enabled the researcher to assess the clarity of the questionnaire items. The items which were inadequate or vague were modified to improve the quality of the research instrument, thus increasing its reliability. The researcher administered the instrument during pilot study in Kericho County hospital. After obtaining the information it was coded into the statistical package for social scientist and the reliability analysis done using Cronbach's Coefficient Alpha. Cronbach's Coefficient Alpha was computed for each item to determine the reliability of the research instrument.

The results indicated that service delivery was (.877), direct compensation (.836), indirect compensation (.829), non-financial (.703), employee voice (.726) and overall Cronbach's Coefficient Alpha was 0.886. A reliability Cronbach's Coefficient Alpha of 0.7 or over was assumed to reflect the internal reliability of the instruments (Fraenkel & Wallen, 2000). This is because likert type questions are best tested for reliability using Cronbach's Coefficient Alpha (Neuman, 2000). The questionnaires deemed reliable after many typographical errors and omissions detected was corrected in the instrument and was sufficient to use in the main study. The questionnaire was refined

on the basis of the responses and the items which require revision was done to make them more meaningful before the actual collection of data.

3.8 Data Collection Procedures

The researcher obtained an introductory letter from Moi University, which assisted in conducting the research. After obtaining an introductory letter the researcher sought a research permit from the National Commission for Science and Technology Innovation (NACOSTI). Permission to collect data was obtained from the public health facilities. The researcher embarked on pilot study, to determine the reliability and validity of the research instruments.

After completion of the pilot study the researcher then embarked on administering questionnaires and interview schedule for the main study. The researcher identified and trained two research assistants who assisted in administering the questionnaires to the respondents. The questionnaires were then administered to the Medical Doctors, clinical officers, pharmacist and nurses. The interview schedule was administered to the medical officers of health. The respondents were assured of confidentiality.

3.9 Measurement of Variables

The variables to be measured included the dependent variable; service delivery and independent variables; direct compensation, indirect compensation and non-financial compensation. The influence of employee voice was measured as mediating variable. A five-point Likert scale was used in this study to measure all variables (where 1= strongly disagree and 5= strongly agree).

A dependent variable is a process outcome that is predicted and/or explained by other variables. Algilanan, (2003) later categorized them into five: tangibility, reliability, responsiveness, assurance, and competence. Quality service is an assessment of

whether the service delivered is compatible with the needs and the requirements of customers. A five-point Likert scale was used in this study to measure service delivery using 27 statements.

An independent variable is a variable that is expected to influence the dependent variable in some way. In this study, the independent variables are the elements of compensation which include direct compensation, indirect compensation and non-financial compensation. A five-point Likert scale was used to measure direct compensation using 10 statements, indirect compensation using 10 statements and non-financial compensation using 10 statements.

Direct financial compensation comprised of money received by the staff on monthly, bi-monthly or on a weekly basis on what they offer to a given establishment. It comprised of salaries, commission, bonus and incentives. Indirect compensation has a monetary value but is not a direct financial payment and comprised of accommodation, transportation, medical cover and retirement plan.

Non-financial compensation encompasses all other ways of compensating employees other than cash for example work environment, paid holidays, business trips, recognition, health insurance, flexible times and also promotions. When these are carefully implemented they can help enhance employee service delivery. A five-point Likert scale was used to measure mediator or employee voice using 9 statements. Employee representatives serve as advisory or informational channels influencing on a wide range of corporate-level decisions.

3.10 Data Analysis

After all data has been collected, the researcher conducted data cleaning, which involved identification of incomplete or inaccurate responses and correct to improve

the quality of the responses. The research yielded both qualitative and quantitative data. Qualitative data was analyzed using content analysis based on meanings and implications emanating from respondent's information. Quantitative techniques such as descriptive statistics and inferential statistics were used to understand relationships between different variables.

Descriptive statistics consisted of mean, and standard deviation. Inferential statistics consisted of linear and multiple regression analysis. Data was subjected to correlation and regression analysis with the aid of statistical Package for social sciences (SPSS V23). Linear regressions are parametric statistics used since the data adheres to the following assumptions or parameters (Field, 2009): data must be on interval level, a linear relationship exists, distributions are normal, outliers were identified and omitted. Data was presented by use of tables and graphs.

Linear regression analysis was used to test the Hypotheses H_{O1} H_{O2} and H_{O3}. While Hypotheses H_{O4} Mediation was tested using PROCESS ***macro*** which provides for a bootstrap procedure to correct for biases and testing for significance at 95% confidence interval. To test the four hypotheses proposed, several models was derived so as to facilitate testing. Linear regression equations were developed and utilized to test the hypothesized effects. The details are given in the subsequent subsections.

3.10.1 Direct Effects

To achieve objectives 1 2 and 3 being direct relationships, linear regression model was used to test hypotheses H_{O1} H_{O2} and H_{O3}. The test statistics was computed and derived for comparison and to confer judgment on the hypotheses included; R showing the magnitude of correlation between the dependent and the independent variables; the coefficients of determination (R^2); how well the model fits the data using the Analysis

of Variance (ANOVA); the regression coefficient (Beta coefficient) and the p-values was generated.

The significance level (p-value) for each of the variables should be less than 0.05 to demonstrate that the variable is making a statistically significant contribution to the prediction of the dependent variable (Field, 2009). To determine the influence of the independent variables on the dependent variable, linear regression models were used to test $H_{01,}$ H_{02} and H_{03} hypotheses as follows:

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e \text{ …….....Model 1}$$

Where:

Y: Service delivery

X: Compensation management

X_1: Direct compensation

X_2: Indirect compensation

X_3: Non-financial Compensation

X_4: Employee voice (mediator)

β_0: Constant

$\beta_1 – \beta_4$: Regression coefficients

e: Error term

3.10.2 Mediation Effects

Studies in behavioral science commonly dwell on variable relationships above all the notion that an independent variable explains variability in a dependent variable; however, Preacher and Hayes (2008) observe that claiming the two variables are causally related is not sufficient. They argue that it is of scientific interest to demonstrate how or by what means a causal effect occurs. A mediator explains why

there is a causal relationship between variables. This means that the independent variable causes the mediator and the mediator in turn causes the dependent variable (Zhang, Liu, Wu & Zhu 2008).

In this study, it would be more informative to interrogate by what means Compensation management exerts its influence on Service delivery. This lays the basis for testing the mediation hypothesis, whose procedure is pioneered by Baron and Kenny, (1986). Also, Preacher, Rucker & Hayes (2007) and Preacher & Hayes (2008) acknowledge this procedure. The procedure involved running three regression models thus; Model I; the predictor variable must significantly predict the outcome variable; Model II; the predictor variable must significantly predict the mediator and Model III; the mediator must then significantly predict the outcome variable in the presence of IV. And for decision rule, the IV must predict the DV less strongly in model III than in model I to confirm a mediated effect.

The study hypothesized that employee voice is not responsible for the causal effect of compensation management on service delivery among health care staff. Mediation was tested using PROCESS ***macro*** which provides for a bootstrap procedure to correct for biases and testing for significance at 95% confidence interval. Following the guideline stated above, the following processes were undertaken: **Step I;** the relationship between compensation management on service delivery was tested and checked for significance; this was a prerequisite to testing the subsequent models (Model 1 and 2);

Step II; The relationship between compensation management and employee voice by setting the later as the outcome variable in the regression equation was tested. The objective was to ascertain the significant relationship between compensation management and employee voice to proceed. **Step III;** The relationship between

employee voice and quality service delivery while controlling for compensation management which involves including both the independent variable and the mediating variable in the regression equation was assessed.

Though traditional procedure of testing mediation has been that of Baron and Kenny (1986) in this study the PROCESS *Macro* procedure by Hayes (2013) was used and in particular model 4 (Figure 3.1) adopted. As shown, the indirect effect of compensation management (X) on service delivery (Y) through employee voice (M) is expressed as the product of ***a*** and ***b.;*** while the direct effect of X on Y is represented by c'.

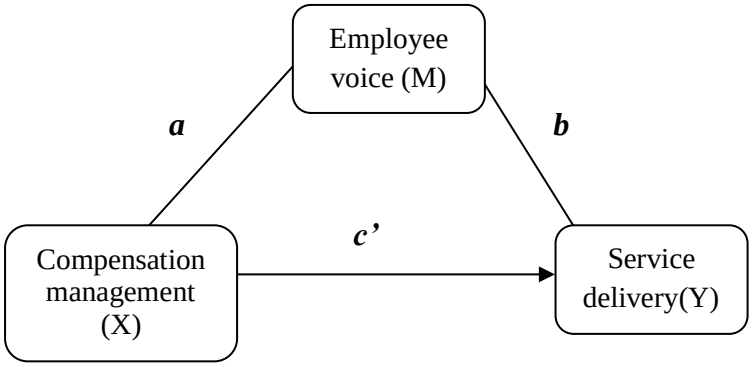

Figure 3.1: Mediation conceptual model (Model 4)
Source: Hayes (2013)

The mediation process in the hypothesized models, I & II shown in the previously was examined by deriving the follow model equations;

Model 1; $M = i_1 + aX + eM$……. (3.1 Direct effect)

Model 2; $Y = i_2 + c^{t}X + bM + eY$…….. (3.2 Indirect effect)

Key;

X : Represents Independent variable compensation management

Y: Represents service delivery.

M : Represents mediating variable employee voice.

i_1 - i_2; Represents the Y and M intercepts (Constant)

a : Represents the slope coefficients denoting the effect of compensation management on employee voice

b : Represents the slope coefficients denoting effect of employee voice on service delivery

c'; Represents the slope coefficients denoting the indirect effect of compensation management on service delivery

eM ; Represents error on the predicted employee voice

eY ; Represents error on the predicted service delivery

As stated above, the null hypothesis that employee voice does not mediate the relationship between compensation management and quality service delivery. Accordingly, if the effects of the compensation management become less significant in model III compared to model I, this is evidence of mediation. To confirm mediation, a Sobel (1982) test result was generated automatically by PROCEES, if it turns a significance result then there is a mediated effect.

3.10.3 Assumptions of Multiple Regression

The assumptions of multiple regression identified as of primary concern in the research included; linearity, homoscedasticity, normality, and collinearity. Normality assumption is based on the shape of normal distribution and gives the researcher knowledge about what values to expect (Keith, 2006). The researcher tested this assumption using visual inspection of data plots, skewness, kurtosis, and P-Plots (Osborne & Waters, 2002). Normality was further checked through histograms of the standardized residuals.

Linearity is established using multiple regressions to estimate the relationship between dependent and independent variables when the relationship is linear in nature (Osborne

& Waters, 2002). Residual plots showing the standardized residuals and the predicted values were used to establish linearity. The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). This means that the study assumed that errors are spread out consistently between the variables (Keith, 2006). Homoscedasticity was checked using the standardized residual scatter plot.

Multicollinearity occurs when several independent variables correlate at high levels with one another, or when one independent variable is a near linear combination of other independent variables (Keith, 2006). Statistical software packages such as SPSS include collinearity diagnostics that measure the degree to which each variable is independent of other independent variables. Tolerance and Variance Influence Factor (VIF) statistics was used to carry out the diagnosis (Keith, 2006).

3.11 Limitations of the Study

In the process of collecting data, the researcher encountered some problems whereby the hospitals being government institutions, release of information by respondents was difficult. The major limitation was respondents not filing or completing the questionnaire, inadequate responses to questionnaire and unexpected occurrences where the respondents go on leave without completing the questionnaire. This was mitigated through constant reminder to the respondents during the period they had the questionnaire. The departments' confidentiality policy restricts most of the respondents from answering some of the questionnaires since it is against the department of health policy.

The researcher presented an introduction letter from the university to the Department of health Management. This helped to avoid suspicion and enable the management to

disclose much of the information needed for the study. The health facilities employees were not willing to participate in the study because of fear of self-assessment thus was reluctant to provide the needed information. Some of the respondents feared that the information they give was used against them. This was overcome by the researcher creating a good rapport with the respondents and that the information treated with all the confidentiality it deserves.

3.12 Ethical Considerations

The researcher explained to the respondent the purpose of the study and all the respondents were assured of the confidentiality of the information they give. The researcher assured them that the name of the institution and all the respondents' names were not be revealed. The respondents were assured of feedback from the researcher if they need it after the study. The respondent's informed consent was obtained before the commencement of the study. The participation of respondents was voluntary and no benefits attached. Questionnaires and interviews were carried out in an environment that allows privacy of the information and the respondent's confidentiality.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter is about the presentation and interpretation of the findings about the research conducted to examine the mediating effect of employee voice on the relationship between compensation management and service delivery in health facilities in North Rift region, Kenya. This section presents the findings in terms of demographic characteristics of the study sample, reliability and validity results, descriptive analysis of independent and dependent variables, inferential analysis of the relationships, interpretation of the results and discussions thereof. Each section carries the important elements of the findings, which include; the response rate and the demographic characteristics of the respondents, the descriptive statistics, reliability tests, factor analysis, correlation analysis, assumptions of multiple regression and process macro to establish mediation effect.

4.2 Response Rate

The need to examine response rate was based on the urge to ascertain whether the proportion of response was representative of the targeted population and could inform decisions on the mediating effect of employee voice on the relationship between compensation management and service delivery in health facilities. Out of a sample size of 210 respondents issued with the questionnaire instrument, only 201 of them were involved in the analysis and response rate was 95.7% as shown in Table 4.1.

Table 4.1: Response Rate

	Frequency	Response rate (%)
Responded	201	95.7
Did not respond	9	4.3
Total	**210**	**100.0**

Source: Research Data (2019)

This concurs with Draugalis, Coons and Plaza (2008) that response rates of approximately 60% should be the goal of researchers, this response rate was found to be suitable for purposes of the study.

4.3 Background Characteristics of Respondents

Employees' background characteristics were measured in terms of gender, education level, age, and their working experience.

4.3.1 Respondents gender

Results of the analysis of respondents gender as presented in Table 4.2, reveal that gender wise, the sample consisted of slightly more female 103(51.2%) than male 98(48.88%) employees.

Table 4.2: Gender of Respondent

	Frequency	Percent	Cumulative Percent
Male	98	48.8	48.8
Female	103	51.2	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

There were more female employees working in health facilities in North Rift Region. This however represented a good proportion of gender diversity among respondents. Choice of gender as a background characteristic for the study was informed by findings which show existence of positive correlations between gender diversity and firm performance (Julizaerma & Sori, 2012).

4.3.2 Age of Respondents

Results of the descriptive analysis of employees' age distribution are presented in Table 4.3 revealed that 69(34.3%) are in the age bracket 21-30 years, with 67(33.3%) had between 31- and 40-years age bracket, while 46(22.9%) had between 41 and 50 years and 9.5% were aged more than 50 years. This result implies that majority of the employees in leadership positions were 31 years and above and capable of giving information that is useful to this study based on their extensive work experience.

Table 4.3 Age of Respondents

	Frequency	Percent	Cumulative Percent
21-30 years	69	34.3	34.3
31-40 years	67	33.3	67.7
41-50 years	46	22.9	90.5
>51 years	19	9.5	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

It can be inferred from the data that majority of the personnel of the health facilities were aged above 31 years. This is an economically active population, which is viewed to be concerned with proper compensation of its personnel in order for it to produce quality service delivery and positive results for the industry. These are mature adults in the health sector that were included in the study and were therefore able to give informed opinions on the state of affairs of the health facility.

4.3.3 Level of Education

The study sought to establish the highest level of education of various respondents and the findings were summarized in the Table 4.4. Majority of the respondents 139(69.2%) in the study had college education level and minority had gone to university. This indicates that the respondents had education level that enabled them to understand compensation management and service delivery.

Table 4.4 Level of Education

	Frequency	Percent	Cumulative Percent
College	139	69.2	69.2
University	62	30.8	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

The educational qualification of an employee is one of the factors that determine pay satisfaction. The higher the educational attainments of the individual employee are, either a university degree or professional qualification, the higher the chances of high pay, that these will have an impact in determining the reward an individual deserves. This will most definitely motivate them thereby resulting to satisfaction and achievement of the organizational performance goal (Ganzach, 2003).

4.3.4 Professional Qualifications

The study sought to establish the professional qualifications of various respondents and the findings were summarized in the Table 4.5. Majority of the respondents 106(52.7%) in the study had a diploma qualification, with 50(24.9%) having university degree, 34(16.9%) had higher diploma and the least 11(5.5%) with certificate qualifications. This indicates that the respondents had enough professional qualifications to respond to compensation management and service delivery.

Table 4.5 Professional qualifications

	Frequency	Percent	Cumulative Percent
Certificate	11	5.5	5.5
Diploma	106	52.7	58.2
Higher diploma	34	16.9	75.1
Degree	50	24.9	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

The findings implied that the respondents had enough professional qualifications to respond to compensation management and service delivery. The amount of training given has a direct link to the remuneration and motivation that brings about satisfaction that definitely enhances the overall performance of the organisation (Görlitz, 2011; Malik, Naeem & Ahma, 2012; Nadim & Khan, 2013).

4.3.5 Job Designation of Respondents

The study sought to establish the job designation of respondents and findings were summarized in the Table 4.6. Majority of the respondents 141(70.1%) were nurses, with 27(13.4%) being clinical officers, 7(3.5%) medical doctors and the 26(12.9%) being pharmacists. The findings implied that respondents involved during the study were evenly distributed among the doctors, clinical officer, nurse and pharmacist.

Table 4.6 Job Designation

	Frequency	Percent	Cumulative Percent
Doctor	7	3.5	3.5
Clinical officer	27	13.4	16.9
Nurse	141	70.1	87.1
Pharmacist	26	12.9	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

The position that an employee occupies, the time-frame spent in achieving a particular goal or assignment and the responsibility that goes with the level of the employee determines the level of satisfaction that the employee derives. This is a factor of how much he/she is being paid for that amount of responsibility and how tight the time-frame is (Brown and Duguid, 2003).

4.3.6 Experience working with the health facility

The study sought to establish the working experience from the employees. From the findings in Table 4.7, it established that 79(39.3%) of the respondents had a working

experience of below five years. Employees with an experience of 5 to 10 years comprised of 46(22.9%), while 34(16.9%) had between 15 and 20 years and 42(20.9%) had more than 20 years. This is an indication that the data collected was from the right target population with readily available information and that the data was reliable for analysis.

Table 4.7 Experience working with the health facility

	Frequency	Percent	Cumulative Percent
0-5 years	79	39.3	39.3
5-10 years	46	22.9	62.2
15-20 years	34	16.9	79.1
>20 years	42	20.9	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

It can be inferred from the data that the majority of the respondents have spent 5 years of service in the health sector. Many employees have been employed as a result of devolution. It can be deduced that most of the employees had a sound knowledge of the company compensation policy and its implementation. Thus, the information gathered from the respondents on their health facilities can be regarded as relevant for the subject under discussion.

4.3.7 Member of a Union

Results on whether the employees are member of the union are presented in Table 4.8. Majority of employees 150(74.6%) were members of the union and 51(25.4%) were not members of the union. The findings implied that most of the employees working in the health facilities were members of unions.

Table 4.8 Member of a Union

	Frequency	Percent	Cumulative Percent
Yes	150	74.6	74.6
No	51	25.4	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

4.3.8 Position in the union

The study sought to determine the position of employees in the union is presented in Table 4.9. Majority of the employees 136(67.7%) were union members, with 51(25.4%) not members and 14 (7%) were union officials. The findings implied that most of the employees working in the health facilities were members of unions and few union officials.

Table 4.9 The position in the union

	Frequency	Percent	Cumulative Percent
Union official	14	7.0	7.0
Union member	136	67.7	74.6
None	51	25.4	100.0
Total	**201**	**100.0**	

Source: Research Data (2019)

4.4 Descriptive Analysis

The study sought to establish the strength of the effect of compensation management on service delivery. The respondents were asked to indicate to what extent they agreed with various aspects of compensation systems. To achieve the objectives of the study, the study used a 5-likert scale; where 1= Strongly Disagree (SD), 2= Disagree (D), 3= Neutral (N), 4= Agree (A), 5= Strongly Agree (SA). Since the scale ranged from 1 to 5, therefore it means that the mean score given statement was guided by the following that; 1-5, Where 1-1.4 Strongly Disagree (SD), 1.5-2.4 Disagree (D), 2.5-3.4 Neutral (N), 3.5-4.4 Agree (A), 4.5-5 Strongly Agree (SA). The researcher used the frequencies, percentage, mean and standard deviation to present the descriptive findings.

4.4.1 Quality Service delivery

The study sought to understand the nature of service delivery in the health facilities as the dependent variable during the study. Means and Standard deviations were used to explore responses from the questionnaire on service delivery. The first section presented the components of service delivery and the second section the perception of staff on service delivery.

4.4.1.1 Components of service delivery

The respondents were asked to indicate to what extent they agreed with various aspects of service delivery using a 5-likert scale. A total of 17 items were used to explore the respondent's views on the components of service delivery in the health facilities and findings are presented in Table 4.10. Majority of the respondents 167(83.1%) agreed that they understand the hospital quality service delivery chatter, with 22(10.9) % undecided and 12(6%) disagreed (*M*=3.99*; SD=0.77*). Most of the respondents 165(82%) agreed that they always provide services as promised and on time, with 13(6.5%) disagreed and 23(11.4%) undecided (*M=4.04; SD=0.88*).

Majority of the respondents 161(80.1%) agreed that they were dependable in handling patients service problems, with 30(14.9%) undecided and 10(5%) disagreed (*M*=3.97*; SD=0.79*). Most of the respondents 182(90.5%) agreed that they keep patients informed about when services are performed, with 14(7%) undecided and 5(2.5%) disagreed (*M=4.26; SD=0.69*). Majority of the respondents 184(91.6%) agreed that they are able to inspire trust and confidence among patients, with 16(8%) undecided and 1(0.5%) disagreed (*M*=4.35*; SD=0.65*). Most of the respondents 176(87.6%) agreed that they inform patients of the procedures to be undertaken before treatment, with 8(4%) disagreed and 17(8.5%) undecided (*M=4.23; SD=0.84*).

Majority of the respondents 172(85.6%) agreed that they have the knowledge to answer patient questions, with 20(10%) undecided and 9(4.5%) disagreed (*M*=4.23*; SD=0.80*). At least 62(30.8%) of the respondents agreed that the equipment and other physical facilities are modern and appealing to patients, with 61(30.3%) undecided and 78(38.8%) disagreed (*M=2.9; SD=1.19*). At least 66(32.9%) of the respondents agreed that their health care facility has enough space appearance for the patients, with 50(24.9%) undecided and 85(42.3%) disagreed (*M=2.81; SD=1.16*).

Majority of the respondents 110(54.7%) agreed that they were comfortable in using the available equipment in the hospital, with 46(22.9%) undecided and 45(22.4%) disagreed (*M*=3.99*; SD=1.08*). Most of the respondents 170(84.5%) agreed that they always give patients individual attention, with 10(5%) disagreed and 21(10.4%) undecided (*M=4.12; SD=0.84*). Majority of the respondents 177(88.1%) agreed that they have the patient's best interest at heart, with 22(10.9%) undecided and 1(2%) disagreed (*M*=4.28*; SD=0.70*).

Table 4.10 Components of service delivery

Statements	SA		A		UD		D		SD		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
I understand the hospital quality service delivery chatter.	44	21.9	123	61.2	22	10.9	11	5.5	1	.5	3.99	0.77
I always provide services as promised and on time	61	30.3	104	51.7	23	11.4	9	4.5	4	2.0	4.04	0.88
I am dependable in handling patients service problems	45	22.4	116	57.7	30	14.9	8	4.0	2	1.0	3.97	0.79
I keep patients informed about when services was performed	76	37.8	106	52.7	14	7.0	5	2.5			4.26	0.69
I am able to inspire trust and confidence among patients	88	43.8	96	47.8	16	8.0	1	.5			4.35	0.65
I inform patient of the procedures to be undertaken before treatment.	83	41.3	93	46.3	17	8.5	4	2.0	4	2.0	4.23	0.84
I have the knowledge to answer patient questions	84	41.8	88	43.8	20	10.0	9	4.5			4.23	0.80
The equipment and other physical facilities are modern and appealing to patients	22	10.9	40	19.9	61	30.3	51	25.4	27	13.4	2.90	1.19
My health care facility has enough space appearance for the patients	11	5.5	55	27.4	50	24.9	54	26.9	31	15.4	2.81	1.16
Am comfortable in using the available equipment in the hospital.	25	12.4	85	42.3	46	22.9	34	16.9	11	5.5	3.39	1.08
I always give patients individual attention	69	34.3	101	50.2	21	10.4	7	3.5	3	1.5	4.12	0.84
I have the patient's best interest at heart	83	41.3	94	46.8	22	10.9	2	1.0			4.28	0.70
I always understand the needs of the patients	63	31.3	111	55.2	27	13.4					4.18	0.65
I deal with patients in a caring fashion	50	24.9	122	60.7	25	12.4	4	2.0			4.08	0.67
I help patients and provide prompt services	71	35.3	111	55.2	19	9.5					4.26	0.62
I am ready to respond to patients' requests any time.	65	32.3	115	57.2	15	7.5	6	3.0			4.19	0.70
I provide patients a good expression and a pleasant experience	79	39.3	82	40.8	29	14.4	7	3.5	4	2.0	4.12	0.92
Mean											**3.96**	**.41**

Source: Research Data (2019)

Majority of the respondents 174(86.5%) agreed that they always understand the needs of the patients and 27(13.4%) undecided (*M*=4.18*; SD=0.65*). Most of the respondents 172(85.6%) agreed that they deal with patients in a caring fashion, with 25(12.4%) undecided and 4(2%) disagreed (*M=4.08; SD=0.67*). Majority of the respondents 182(90.5%) agreed that they help patients provide prompt services and 19(9.5%) disagreed (*M*=4.26*; SD=0.62*). Most of the respondents 180(89.5%) agreed that they ready to respond to patients' requests any time, with 6(3%) disagreed and 15(7.5%) undecided (*M=4.19; SD=0.70*). Majority of the respondents 161(80.1%) agreed that they have the knowledge to answer patient questions, with 29(14.4%) undecided and 11(5.5%) disagreed (*M*=4.12*; SD=0.92*).

A total of 17 items were used to explore the respondent's opinion on the components of service delivery in health facilities in North Rift. The overall mean response score among the respondents with regard to the components of service delivery in health facilities in North Rift was 3.96 and standard deviation of 0.41. This value lies in the interval which implies that employees appeared to show agreement with service delivery in health facilities in North Rift. Moreover, the overall standard deviation was quite small which an indication of consistency is in agreements among the respondents.

From the findings the employees understand the hospital quality service delivery chatter, always provide services as promised and on time, were dependable in handling patients service problems and keep patients informed about when services are performed. The employees inspire trust and confidence among patients, inform patients of the procedures to be undertaken before treatment and had the knowledge to answer patient questions. The employees were comfortable in using the available equipment

in the hospital, always give patients individual attention and had the patient's best interest at heart.

Employees always understand the needs of the patient, deal with patients in a caring fashion, help patients provide prompt services and ready to respond to patients' requests any time. The employees had the knowledge to answer patient questions. The equipment and other physical facilities used were not modern and appealing to patients and the health care facility had no enough space appearance for the patients.

This finding concurs with Petrick (2009) who identified ten determinants of service quality that are related to any service. They include competence, courtesy, credibility, security, access, communication, and understanding, knowing the customer, tangibles, reliability, and responsiveness. During the past few decades, service quality has become a major area of attention to practitioners, managers and researchers owing to its strong impact on business performance, lower costs, consumer satisfaction, client loyalty and profitability (Guru, 2003).

4.4.1.2 Employees perception on service delivery in their health facility

The respondents were asked to indicate their perception on service delivery in their health facility using a 5-likert scale. A total of 10 items were used to explore the respondent's perception on service delivery in their health facilities and findings are presented in Table 4.11. Majority of the respondents 159(79.1%) agreed that they understand and meet the specified hospital plans and goals, with 25(12.4%) undecided and 13(6.5%) disagreed (*M*=3.94*; SD=0.90*). Most of the respondents 172(85.5%) agreed that they like enjoying the type of work they do, with 11(5.5%) disagreed and 18(9%) undecided (*M=4.32; SD=0.87*). At least 65(32.4%) of the respondents agreed

that they were satisfied with how the hospital handles staff complaints, with 50(24.9%) undecided and 86 (42.8) % disagreed (*M*=2.81*; SD=1.21*).

Majority of respondents 118(58.7%) disagreed that they were compensated well when they do good work, with 37(18.4%) undecided and 46(22.9%) agreed (*M=2.45; SD=1.17*). Majority of the respondents 121(60.2%) disagreed that they would not recommend employment at their hospital to their friend, with 47(23.4%) undecided and 33(16.4%) agreed (*M*=2.35*; SD=1.14*). Most of the respondents 84(41.8%) disagreed that their hospital had up to date equipment and all the physical facilities such as bathrooms and toilets are always clean, with 77(38.4%) agreed and 40(19.9%) undecided (*M=2.88; SD=1.28*).

Majority of the respondents 164(81.6%) agreed that they keep patients' records accurately, with 21(10.4%) undecided and 16(8%) disagreed (*M*=4.00*; SD=0.90*). Most of the respondents 181(90.1%) agreed that they answer and explain all the hospital procedures and treatment to the patients, with 18(9%) undecided and 1(2%) disagreed (*M=4.30; SD=0.67*). Majority of the respondents 190(94.5%) agreed that they pay personal attention to all patients equally irrespective of their status, with 4.5% undecided and 1% disagreed (*M*=4.51*; SD=0.63*). Most of the respondents 167(82.9%) agreed that all patients are assured of good services, with 13(6.5%) disagreed and 21(10.4%) undecided (*M=4.12; SD=0.88*).

Table 4.11 Employees perception on service delivery in their health facility

Statements	SA		A		UD		D		SD		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
I understand and meet the specified hospital plans and goals.	51	25.4	108	53.7	25	12.4	13	6.5	4	2.0	3.94	0.90
I like and enjoy the type of work l do.	105	52.2	67	33.3	18	9.0	10	5.0	1	.5	4.32	0.87
I am satisfied with how the hospital handles staff complaints.	16	8.0	49	24.4	50	24.9	53	26.4	33	16.4	2.81	1.21
Am compensated well when I do good work	9	4.5	37	18.4	37	18.4	70	34.8	48	23.9	2.45	1.17
I would not recommend employment at this hospital to my friend	11	5.5	22	10.9	47	23.4	68	33.8	53	26.4	2.35	1.14
My hospital has up to date equipment and all the physical facilities such as bathrooms and toilets are always clean.	20	10.0	57	28.4	40	19.9	47	23.4	37	18.4	2.88	1.28
I do keep patients' records accurately	57	28.4	107	53.2	21	10.4	12	6.0	4	2.0	4.00	0.90
I answer and explain all the hospital procedures and treatment to the patients	83	41.3	98	48.8	18	9.0	2	1.0			4.30	0.67
I pay personal attention to all patients equally irrespective of their status	115	57.2	75	37.3	9	4.5	2	1.0			4.51	0.63
All patients are assured of good services	74	36.8	93	46.3	21	10.4	11	5.5	2	1.0	4.12	0.88
Mean											**3.57**	**.49**

Source: Research Data (2019)

A total of 10 items were used to explore the respondent's views from on the employee's perception on service delivery in health facilities in North Rift. The overall mean

response score among the respondents with regard to employee's perception on service delivery in health facilities in North Rift was 3.57 and standard deviation of 0.49. This value lies in the interval which implies that employees appeared to show agreement with service delivery in health facilities in North Rift. Moreover, the overall standard deviation was quite small which an indication of consistency is in agreements among the respondents.

The interview with the medical officers of health indicated that "*the service delivery in the hospital were good and that compensation management affect service delivery in the hospital by motivating staff. The compensation management improves service delivery through motivation".*

The findings implied that the employees understand and meet the specified hospital plans and goals, enjoy the type of work they do and keep patients' records accurately. The staff were able to answer and explain all the hospital procedures and treatment to the patients, pay personal attention to all patients equally irrespective of their status and assured of good services. Employees were not satisfied with how the hospital handles staff complaints, and the hospital had no up to date equipment and all the physical facilities such as bathrooms and toilets are always clean. The employees were not compensated well when they do good work and would recommend employment at this hospital to their friends. This finding agrees with Algilanan, (2003) that categorized quality service delivery into areas five: tangibility, reliability, responsiveness, assurance, and competence.

Quality service is an assessment of whether the service delivered is compatible with the needs and the requirements of customers. It is a critical determinant to competitiveness and value for money. A customer- focused approach to service

delivery is promised on the setting of sound standards, service delivery plans and targets that achieve measurable spheres of interest. Wanjau & Wanarigi (2012) adds that it also has significant relationships with customer loyalty, profitability, service guarantees and growth of organization.

4.4.2 Effect of direct compensation on service delivery

The first objective sought to establish the effect of direct compensation on service delivery. Before examining the effect, a quantitative analysis of questionnaire responses was conducted to identify their awareness on direct compensation in health facility. A total of 10 statements were used to determine the direct compensation and responses elicited on a 5-point likert scale and responses presented in Table 4.12. Majority of the respondents 121(60.2%) agreed that an increase in their basic pay will motivate them to improve service delivery, with 37(18.4%) undecided and 43(21.3%) disagreed (*M*=3.57*; SD=1.29*).

Majority of respondents 116(57.8%) disagreed that salary is reviewed periodically, with 41(20.4%) undecided and 44(21.9%) agreed (*M=2.41; SD=1.23*). Most of the respondents 121(60.2%) disagreed that their pay is well balanced compared to the work they do, with 39 (19.4%) undecided and 42(20.9%) agreed (*M*=2.45*; SD=1.17*). Majority of the respondents 119(59.2%) disagreed that there exists a system in the county of compensating employees if they achieve their targets, with 47(23.4%) agreed and 35(17.4%) undecided (*M=2.41; SD=1.31*). Most of the respondents 129(64.1%) disagreed that they were entitled to incentives when hospital achieves its target, with 30(14.9%) undecided and 42(20.9%) agreed (*M*=2.34*; SD=1.26*).

Table 4.12 Direct Compensation

Statements	SA		A		UD		D		SD		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
My salary is reviewed periodically	12	6.0	32	15.9	41	20.4	58	28.9	58	28.9	2.41	1.23
My salary motivates me to do my work well	14	7.0	50	24.9	39	19.4	61	30.3	37	18.4	2.72	1.22
My pay is well balanced compared to the work I do	13	6.5	29	14.4	38	18.9	77	38.3	44	21.9	2.45	1.17
An increase in my basic pay will motivate me to improve on my service delivery.	58	28.9	63	31.3	37	18.4	22	10.9	21	10.4	3.57	1.29
There exists a system in the county of compensating employees if they achieve their targets	18	9.0	29	14.4	35	17.4	55	27.4	64	31.8	2.41	1.31
I am entitled to incentives when hospital achieves its target	16	8.0	26	12.9	30	14.9	68	33.8	61	30.3	2.34	1.26
There exist a team that deals with employee rewards.	9	4.5	29	14.4	37	18.4	62	30.8	64	31.8	2.29	1.19
I receive consummate salary	9	4.5	39	19.4	71	35.3	35	17.4	47	23.4	2.64	1.17
I always get overtime and uniform allowances	8	4.0	37	18.4	44	21.9	48	23.9	64	31.8	2.39	1.22
My employers provide a bonus and commission-based programs	10	5.0	30	14.9	20	10.0	50	24.9	91	45.3	2.09	1.26
Mean											**2.53**	**.78**

Source: Research Data (2019)

Majority of respondents 126(62.6%) disagreed that there exist a team that deals with employee rewards, with 37(18.4%) undecided and 38(18.9%) agreed (*M=2.29; SD=1.19*). Majority of the respondents 112(55.7%) disagreed that always get overtime and uniform allowances, with 45(22.4%) agreed and 44(21.9%) undecided (*M=2.39;*

SD=1.22). Most of the respondents 141(70.2%) disagreed that employers provide a bonus and commission-based programs, with 20(10%) undecided and 40(19.9%) agreed (*M*=2.09*; SD=1.26*). At least 82(40.8%) disagreed that receive consummate salary, with 71(35.3%) undecided and 48(23.9%) agreed (*M*=2.64*; SD=1.17*). Further 98 (48.7%) disagreed that their current salary motivates them to work well, with 31.9% agree and 19.4% were undecided.

The overall mean response score among the respondents with regard to direct compensation in health facilities in North Rift was 2.53 and standard deviation of 0.78. This value lies in the interval which implies that employees appeared to show disagreement with direct compensation in health facilities in North Rift.

The interview with the medical officers of health showed that "*the compensation management in the hospital was poor due to financial constraint. The officers indicated that types of direct compensation the hospital offer to their employees comprised of allowances and salary which is not enough*".

Most of the respondents agree that basic pay given did not match the market wage rates. The findings imply that increasing their basic pay will motivate them to improve service delivery and salary be reviewed periodically. The pay was not well balanced compared to the work they do and there was no system in the county of compensating employees if they achieve their targets. The employees were entitled to incentives when hospital achieves its target and there was no team that deals with employee rewards.

The employees don't always get overtime and uniform allowances, bonus and commission-based programs. They also don't receive consummate salary that motivates them to do their work well. The result concurs with Rynes, Gerhart & Minette (2004) who allude that utilization of base pay that is higher than the market average to

draw in smart performers is vital for good performing organizations. Majority of the respondents believe that their organization did not recognize and reward extra skills and qualifications through salary increase.

4.4.3 Effect of indirect compensation on service delivery

The second objective sought to establish the effect of indirect compensation on service delivery. A quantitative analysis of questionnaire responses was conducted to identify their awareness on indirect compensation in health facility. A total of 10 statements were used to determine the indirect compensation and responses elicited on a 5-point likert scale and responses presented in Table 4.13. Most of the respondents 120(59.7%) agreed that their employer provides payments for time not worked (vacations, sabbatical, holidays), with 30(14.9%) undecided and 51(25.3%) disagreed (*M*=3.41 *SD=1.26*).

Majority of the respondents 111(55.2%) agreed that their family are entitled to a reliable medical cover, with 35(17.4%) undecided and 55(38.8%) disagreed (*M*=3.44*; SD=1.24*). Majority of respondents 124(61.7%) disagreed that employer provides tuition reimbursement, with 44(21.9%) undecided and 33(16.4%) agreed (*M=2.22; SD=1.21*). Most of the respondents 114(56.8%) disagreed that employer provides Foreign Service premiums, with 27.9% undecided and 31(15.4%) agreed (*M*=2.34*; SD=1.15*).

Table 4.13 Indirect Compensation

	SA		A		UD		D		SD		Mean	SD
	Freq	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**		
The hospital has partnered with health insurance companies for staff insurance policies	32	15.9	52	25.9	43	21.4	36	17.9	38	18.9	3.02	1.36
The hospital has an all-round Work-Life-Balance system	19	9.5	34	16.9	61	30.3	57	28.4	30	14.9	2.78	1.18
The hospital has a pension scheme facility for its staff	28	13.9	54	26.9	40	19.9	52	25.9	27	13.4	3.02	1.28
I and my family are entitled to a reliable medical cover	47	23.4	64	31.8	35	17.4	41	20.4	14	7.0	3.44	1.24
There is availability of employee's retirement programs	22	10.9	57	28.4	44	21.9	55	27.4	23	11.4	3.00	1.21
My employer remits my social security funds	35	17.4	55	27.4	48	23.9	45	22.4	18	9.0	3.22	1.23
My employer provides payments for time not worked (vacations, sabbatical, holidays)	37	18.4	83	41.3	30	14.9	28	13.9	23	11.4	3.41	1.26
My employer provides workers compensation, (those injured on the job)	13	6.5	53	26.4	41	20.4	52	25.9	42	20.9	2.72	1.24
My employer provides foreign service premiums	10	5.0	21	10.4	56	27.9	55	27.4	59	29.4	2.34	1.15
My employer provides tuition reimbursement	10	5.0	23	11.4	44	21.9	49	24.4	75	37.3	2.22	1.21
Mean											**2.92**	**.83**

Source: Research Data (2019)

Majority of the respondents 94(46.8%) disagreed that employer provides workers compensation, (those injured on the job), with 66(32.9%) agreed and 41(20.4%) undecided (*M=2.72; SD=1.24*). Majority of the respondents were undecided on the following statements; that the hospital has partnered with health insurance companies for staff insurance policies and hospital has a pension scheme facility for its staff (*M=3.02*); hospital has an all-round Work-Life-Balance system (*M=2.78; SD=1.18*); There is availability of employee's retirement programs (*M=3.00; SD=1.21*) and employer remits my social security funds (*M=3.22; SD=1.23*).

A total of 10 items were used to explore the respondent's views from the indirect compensation in health facilities in North Rift. The overall mean response score among the respondents with regard to indirect compensation in health facilities in North Rift was 2.92 and standard deviation of 0.83. This value lies in the interval which implies that employees appeared to show disagreement with indirect compensation in health facilities in North Rift.

The findings indicated that the employers provide payments for time not worked (vacations, sabbatical, holidays) and their family are entitled to a reliable medical cover. The employer does not provide tuition reimbursement, foreign service premiums and workers compensation (those injured on the job). The hospital does not partner with health insurance companies for staff insurance policies and had a pension scheme facility for its staff, all-round Work-Life-Balance system availability of employee's retirement programs and employer remits their social security funds.

The interview with the medical officers of health showed that "*the types of indirect compensation the hospital offers to the employees included vacations, holidays, annual leave, medical cover, insurance cover and trainings"*. This agrees with what Dessler

(2011) advocates for transport allowances, are received by employees to continue their employment relationship with the company and that is very vital. Service delivery is affected when such benefits are not enhanced in an organization. Snell and Bohlanders (2010) say organizations might provide versatile benefits plans to accommodate the individual staff wants. Without such plans, individual staff settles on the benefits that are unwanted by them thus affecting their performance. This is in tandem with the majority of the respondents who alluded that their working environment is conducive

4.4.4 Effect of Non-Financial compensation on service delivery

The third objective sought to establish the effect of non-financial compensation on service delivery. Before examining the effect, a quantitative analysis of questionnaire responses was conducted to identify their awareness on non-financial compensation in health facility. A total of 10 statements were used to determine the non-financial compensation and responses elicited on a 5-point likert scale and responses presented in Table 4.14. Majority of the respondents 128(63.6%) agreed that employer offers job rotation, with 35(17.4%) undecided and 38(18.9%) disagreed (*M*=3.49*; SD=1.05*).

Majority of the respondents 110(50.8%) agreed that they have flexible work schedule, with 52(25.9%) undecided and 47(23.4%) disagreed (*M*=3.31*; SD=1.03*). Most of the respondents 136(67.7%) agreed that they always conduct job sharing, with 23(11.5%) disagreed and 42(20.9%) undecided (*M=3.58; SD=0.80*). Majority of the respondents 131(65.1%) agreed that working environment determine service delivery, with 38(18.9%) undecided and 32(15.9%) disagreed (*M*=3.57*; SD=0.97*). Most of the respondents 102(50.7%) agreed that career development opportunities offered by management affect their morale, with 58(28.9%) undecided and 41(20.4%) disagreed (*M=3.40; SD=1.04*).

Table 4.14 Non-Financial Compensation

	SA		A		UD		D		SD		Mean	SD
	Freq	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**	**Freq**	**%**		
My employer offers job rotation,	22	10.9	106	52.7	35	17.4	25	12.4	13	6.5	3.49	1.05
My employer trains its employees periodically,	15	7.5	75	37.3	38	18.9	52	25.9	21	10.4	3.05	1.16
We have flexible work schedule	17	8.5	85	42.3	52	25.9	37	18.4	10	5.0	3.31	1.03
We always conduct job sharing	8	4.0	128	63.7	42	20.9	19	9.5	4	2.0	3.58	0.80
I work in a very good working environment.	18	9.0	62	30.8	48	23.9	47	23.4	26	12.9	3.00	1.19
Our employer offer employee recognition	14	7.0	42	20.9	61	30.3	51	25.4	33	16.4	2.77	1.16
Working environment determine my service delivery.	23	11.4	108	53.7	38	18.9	25	12.4	7	3.5	3.57	0.97
The career development opportunities offered by management affect my morale	27	13.4	75	37.3	58	28.9	33	16.4	8	4.0	3.40	1.04
Our employer promotes employees depending on good services	6	3.0	53	26.4	37	18.4	57	28.4	48	23.9	2.56	1.20
Our health policy does allow switching from a department even after promotion.	13	6.5	56	27.9	50	24.9	57	28.4	25	12.4	2.88	1.14
Mean											**3.16**	**.62**

Source: Research Data (2019)

Majority of respondents 105(52.3%) disagreed that their employer promotes employees depending on good services, with 37(18.4%) undecided and 59(29.4%) agreed (*M=2.56; SD=1.20*). Most of the respondents were undecided that their employer trains its employees periodically (*M=3.05; SD=1.16*); majority of the employees did not work in a very good working environment (*M=3.00; SD=1.19*); their employer offer

employee recognition (*M=2.77; SD=1.16*) and health policy does allow switching from a department even after promotion (*M=2.88; SD=1.14*).

The overall mean response score among the respondents with regard to non-financial compensation in health facilities in North Rift was 3.16 and standard deviation of 0.62. This value lies in the interval which implies that employees appeared to show disagreement with non-financial compensation in health facilities in North Rift.

From the interview with the medical officers of health indicated that the non-financial compensation comprised of job rotation, flexible work schedule and job sharing. The officers agreed that better working environment determines employee service delivery in public hospitals. It was found that career development opportunities offered by management affect employee morale and productivity to a great extent in public hospitals. The motivated employees offer better services. The delayed promotion negatively affects employee productivity.

The medical officers of health also reported that "*employee recognition and good working environment enhanced employee service delivery and that non-financial compensation affects service delivery by building confidence among the employees. A compensated worker becomes happy and works better in providing services to the patients and clients".* The findings imply that the employer offers job rotation, had flexible work schedule, and always conduct job sharing. Career development opportunities offered by management affect their morale.

These findings agree with Armstrong (2009) that non-financial rewards build staffs after duty and encourages them to contribute further by developing a deal that addresses broad number of problems. The findings are also in line with Cole (2005), the benefits of a worker development to a company include: increasing the employees morale since

coaching can improve the employee's confidence and motivation; lowering the cost of production through higher and economical employment of fabric and instrumentation thereby reducing and avoiding waste.

Shamsuzzoha (2007) concluded that lack of chance for advancement through seniority or otherwise might end in dissatisfaction that simmers in an employee's mind until he or she finally quits. Most of the respondents held the opinion that their organization did not have training and development programs that are likely to spur good performance. The general implication of the results is that the vocational education training boost special skills that could help in quality service delivery.

4.4.5 Employee Voice in Health Facilities

The study sought to establish the employee voice in health facilities. A total of 9 statements were used to determine the employee voice in health facilities and responses elicited on a 5-point likert scale and presented in Table 4.15. Most of the respondents 122(60.7%) agreed that unions secure improved terms and better working conditions for their members, with 35(17.4%) undecided and 44(21.9%) disagreed (*M=3.47; SD=1.12*). Majority of the respondents 129(64.2%) agreed that health workers always go on strike in order to be compensated well, with 31(15.4%) undecided and 41(20.4%) disagreed (*M*=3.58*; SD=1.21*).

Table 4.15 Employee voice in health facilities

	SA		A		UD		D		SD		Mean	SD
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%		
Health staff are satisfied with the union roles	26	12.9	57	28.4	62	30.8	32	15.9	24	11.9	3.14	1.19
Employees directly influence key decisions on compensations.	10	5.0	47	23.4	42	20.9	79	39.3	23	11.4	2.71	1.10
Workers' suggestions are solicited,	13	6.5	54	26.9	52	25.9	68	33.8	14	7.0	2.92	1.07
Upward communication channels provide avenues which employees voice their views to management.	13	6.5	89	44.3	47	23.4	36	17.9	16	8.0	3.23	1.07
Health workers always go on strike in order to be compensated well.	46	22.9	83	41.3	31	15.4	23	11.4	18	9.0	3.58	1.21
Unions secure improved terms and better working conditions for their members.	30	14.9	92	45.8	35	17.4	31	15.4	13	6.5	3.47	1.12
Our unions provide protection, support and advice to their members.	33	16.4	104	51.7	34	16.9	24	11.9	6	3.0	3.67	0.99
Union providing legal and financial services to members whenever appropriate.	14	7.0	91	45.3	42	20.9	34	16.9	20	10.0	3.22	1.12
The dissatisfaction raised through grievance procedure are met.	10	5.0	48	23.9	73	36.3	48	23.9	22	10.9	2.88	1.05
Mean											**3.20**	**.67**

Source: Research Data (2019)

Most of the respondents 102(50.8%) agreed that upward communication channels provide avenues which employees voice their views to management, with 47(23.4%) undecided and 52(25.9%) disagreed (*M=3.23; SD=1.07*). Majority of the respondents 105(52.3%) agreed that union providing legal and financial services to members whenever appropriate, with 42(20.9%) undecided and 54(26.9%) disagreed (*M*=3.22*; SD=1.12*).

Majority of the respondents 137(68.1%) agreed that unions provide protection, support and advice to their members, with 34(16.9%) undecided and 30(14.9%) disagreed (*M*=3.67*; SD=0.99*). Majority of respondents 102(50.7%) disagreed that employees directly influence key decisions on compensations, with 42(20.9%) undecided and 57(28.4%) agreed (*M=2.71; SD=1.10*). Most of the respondents were undecided that: the dissatisfaction raised through grievance procedure met (*M=2.88; SD=1.05*) and workers' suggestions were solicited (*M=2.92; SD=1.07*).

The overall mean response score among the respondents with regard to employee voice in health facilities in North Rift was 3.20 and standard deviation of 0.67. This value lies in the interval which implies that employees appeared to be undecided on employee voice in health facilities in North Rift.

From the interview with the medical officers of health indicated that *"employees have a low extent of voice in compensation management issues. The union officials represent the staff through union and that the employee voice should be enhanced in the hospital. This should be done through training of union officials on their mandate, engagement, suggestion boxes, formal and informal meetings"*.

One of the medical officers of health stated that "*the union officials represent staff during annual meetings with management to ensure that their views and grievances are*

discussed". Another medical officer of health stated that employee voice on compensation management were through their union officials, however it takes time for them to be addressed.

The findings imply that the unions had secured, improved terms and better working conditions for their members, health workers always go on strike in order to be compensated well and upward communication channels provide avenues which employees voice their views to management. The union provides legal and financial services, protection, support and advice to their members. This agrees with Armstrong (2009) that Trade Unions have two major roles namely to secure improved terms and conditions for their members and to provide protection, support and advice to their members as individual employees.

This voice exhibited in trade unions enhances employee performance by bringing conducive working environment within an organization. The findings also agree with McCabe, Loughlin, Munteanu, Tucker & Lam (2008) that unions also handle matters that deal with employee treatment at the work place such as unfair discipline, harassment and abusive treatment, job insecurity and lack of response to complaints.

The employees do not directly influence key decisions on compensations, the dissatisfaction raised through grievance procedure met and workers' suggestions were solicited. Voice mechanisms in organizations differ just as they are captured in definitions of voice. This agrees with Hall, Hutchinson & Purcell (2013) that employee voice can take the form of joint consultation which involves managers and employee representatives meeting on a regular basis in order to exchange views, make good use of members' knowledge and expertise and deal with matters of common interest.

4.5 Reliability Analysis

A research instrument is reliable when after being administered to respondents it yields consistent results. Cronbach's alpha coefficient was used to assess the internal consistency or homogeneity among the questionnaire items. The highest Cronbach's alpha was observed for indirect compensation coefficient of 0.864 and the lowest coefficient was non-financial compensation (0.768) as shown in Table 4.16. Service delivery had a Cronbach's alpha coefficient of .828, while direct compensation had a coefficient of 0.837 and employee voice had a coefficient of 0.780. The study findings depicted that on overall the Cronbach's Alpha coefficient was 0.929 from 66 statements used.

Table 4.16: Reliability Statistics

	Cronbach's Alpha	**N of Items**
Service delivery	.828	27
Direct compensation	.837	10
Indirect compensation	.864	10
Non-financial compensation	.768	10
Employee voice	.780	9
Overall	**.929**	**66**

Source: Research Data (2019)

The coefficient was above 0.7 for individual variables and also when all the constructs are combined. The coefficients revealed that the statements used in the questionnaire were reliable in all the measurement scales achieving the recommended reliability level of above 0.7 (Hair *et al*., 2009). This implies that the scales used had a high degree of internal consistency among the measurement items. This can be attributed to the fact that all the questionnaire items were adopted from published journals or articles that have been empirically tested or conceptualized.

4.6 Validity of the Constructs

Validity refers to the extent to which a research instrument measures what was intended to measure (Zikmund *et al*., 2010). Prior to using the questionnaire for data collection, the researcher discussed them with the supervisors and colleagues. The respondents' opinions during pilot study were used to improve the research instrument for the final study. In addition, Kaiser-Mayor-Oklin measures of sampling adequacy (KMO) and Bartlett's test of sphericity were applied to test whether a relation between the study variables exist. Kaiser- Mayor- Oklin was used as a measure of sampling adequacy and a value of >.5 and p-value <0.5 was acceptable.

Factor analysis was employed in this regard to help in identifying the actual number of factors that actually measured each construct as perceived by the respondents. The validity of the instrument was measured through Bartlett's Test of Sphericity. The Bartlett's test of sphericity was used as a test of the adequacy of the correlation matrix whereby it tests the null hypothesis that the correlation matrix has all diagonal elements as 1 and non-diagonal elements as 0. If the test value is large and the significance level is small, then the null hypothesis that the variables are independent can be rejected. The component factor analysis with varimax rotation was conducted on all variables to extract factors from the scales of each construct.

Based on the previous works of (Hair, Black, Anderson & Tatham, 2006) all items loading below 0.50 were deleted and those with more than 0.50 loading factor retained (Daud, 2014). All items were well loaded into their various underlying variable structure dimensions. In this study, factor analysis was used to validate whether the items in each section loaded into the expected categories. Varimax rotation was used to validate the five variables that are distinct. The principle component analysis and Varimax rotation were performed in all the items and those with factor loadings lower

than 0.50 were eliminated as postulated by Hair *et al.* (2006). After performing the factor analysis of each variable, the statement responses were summed to create a score and subjected to inferential analysis.

4.6.1 Service Delivery

The factor analysis results of service delivery, indicated that the KMO was 0.788 and the Bartlett's Test of sphericity was significant ($p<.05$) and a chi square of 955.106 (Table 4.17). The Varimax rotated principle component resulted in five factors loading on service delivery variable that explained 60.42% of variance with Eigen values larger than 1. Two statements that always provide services as promised and on time and have the patient's best interest at heart was deleted and the remaining 15 statements were retained computed and renamed service delivery for further analysis.

Table 4.17: Rotated factor matrix on measurement items for Service delivery components

Survey Items	Component				
	1	2	3	4	5
I understand the hospital quality service delivery chatter.					.778
I always provide services as promised and on time					
I am dependable in handling patients service problems				.759	
I keep patients informed about when services was performed				.516	.508
I am able to inspire trust and confidence among patients					.520
I inform patient of the procedures to be undertaken before treatment.				.717	
I have the knowledge to answer patient questions			.806		
The equipment and other physical facilities are modern and appealing to patients		.771			
My health care facility has enough space appearance for the patients		.847			
Am comfortable in using the available equipment in the hospital.		.659			
I always give patients individual attention					.589
I have the patient's best interest at heart					
I always understand the needs of the patients	.727				
I deal with patients in a caring fashion	.788				
I help patients and provide prompt services	.705				
I am ready to respond to patients' requests any time.	.512				
I provide patients a good expression and a pleasant experience			.629		
KMO	.788				
Approx. Chi-Square	955.106				
Bartlett's Test of Sphericity (P<0.001) df=136					
Eigenvalues	4.638	1.976	1.277	1.247	1.134
% of Variance (60.42)	27.280	11.622	7.513	7.338	6.669

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Source: Research Data (2019)

4.6.2 Direct compensation

Direct compensation statements were subjected to factor analysis and three components with Eigen values greater than 1 were extracted which cumulatively explained 65.574% of variance as shown in (Table 4.18). The direct compensation indicated that the KMO was 0.839 and the Bartlett's Test of sphericity was significant (p<.05) and chi square

(753). No statements were deleted and all the ten statements retained, computed and renamed direct for further analysis.

Table 4.18: Rotated factor matrix on measurement items for Direct compensation

	Component		
	1	2	3
My salary is reviewed periodically	.657		
My salary motivates me to do my work well	.765		
My pay is well balanced compared to the work I do	.621		
An increase in my basic pay will motivate me to improve on my service delivery.			.964
There exists a system in the county of compensating employees if they achieve their targets		.801	
I am entitled to incentives when hospital achieves its target		.863	
There exist a team that deals with employee rewards.		.790	
I receive consummate salary	.557		
I always get overtime and uniform allowances	.761		
My employers provide a bonus and commission-based programs	.532		
KMO	.839		
Approx. Chi-Square	753		
Bartlett's Test of Sphericity (P<0.001) df=45			
Eigenvalues	2.780	2.716	1.061
% of Variance (65.574)	27.805	27.156	10.613

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 5 iterations.

Source: Research Data (2019)

4.6.3 Indirect Compensation

On the indirect compensation construct the factor analysis results showed one component with eigen values greater than 1.0 and the total variance explained was 57.982% as shown in Table 4.19. The KMO measure of sampling adequacy of 0.862 indicating sufficient inter-correlation, while the Bartlett's Test of sphericity was significant (Chi-square 824.559, p=0.001). No statements were deleted and all the ten statements were retained computed and renamed indirect compensation for further analysis.

Table 4.19: Rotated factor matrix on measurement items for Indirect Compensation

	Component	
	1	2
The hospital has partnered with health insurance companies for staff insurance policies		.661
The hospital has an all-round Work-Life-Balance system	.733	
The hospital has a pension scheme facility for its staff	.637	
I and my family are entitled to a reliable medical cover		.787
There is availability of employee's retirement programs	.527	
My employer remits my social security funds		.532
My employer provides payments for time not worked (vacations, sabbatical, holidays)		.554
My employer provides workers compensation, (those injured on the job)	.717	
My employer provides foreign service premiums	.834	
My employer provides tuition reimbursement	.868	
KMO	.862	
Approx. Chi-Square	824.559	
Bartlett's Test of Sphericity (P<0.001) df=45		
Eigenvalues	3.586	2.213
% of Variance (57.982)	35.856	22.126

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 3 iterations.

Source: Research Data (2019)

4.6.4 Non-Financial Compensation

Non-financial compensation statements were subjected to factor analysis and three components with Eigen values greater than 1 were extracted which cumulatively explained 62.42% of variance as shown in (Table 4.20). The Non-financial compensation indicated that the KMO was 0.764 and the Bartlett's Test of sphericity was significant ($p<.05$) and chi square (569.713). One statement that health policy does allow switching from a department even after promotion was deleted and all the nine statements were retained computed and renamed Non-financial compensation for further analysis.

Table 4.20: Rotated factor matrix on measurement items for Non-Financial Compensation

	Component		
	1	2	3
My employer offers job rotation,		.765	
My employer trains its employees periodically,	.601		
We have flexible work schedule		.633	
We always conduct job sharing		.726	
I work in a very good working environment.	.820		
Our employer offer employee recognition	.826		
Working environment determine my service delivery.			.855
The career development opportunities offered by management affect my morale			.823
Our employer promotes employees depending on good services	.727		
Our health policy does allow switching from a department even after promotion.			
KMO	.764		
Approx. Chi-Square	569.713		
Bartlett's Test of Sphericity (P<0.001) df=45			
Eigenvalues	2.515	2.020	1.707
% of Variance (62.42)	25.151	20.201	17.068

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 4 iterations.

Source: Research Data (2019)

4.6.5 Employee Voice

On the employee voice construct the factor analysis results showed three components with eigen values greater than 1.0 and the total variance explained was 66.859% as shown in Table 4.21. The KMO measure of sampling adequacy of 0.772 indicating sufficient inter-correlation, while the Bartlett's Test of sphericity was significant (Chi-square 564.922, p=0.001). No statements were deleted and all the nine statements were retained, computed and renamed employee voice for further analysis.

Table 4.21: Rotated factor matrix on measurement items for Employee Voice

	Component		
	1	**2**	**3**
Health staff are satisfied with the union roles		.511	-.587
Employees directly influence key decisions on compensations.	.848		
Workers' suggestions are solicited,	.833		
Upward communication channels provide avenues which employees voice their views to management.	.555		
Health workers always go on strike in order to be compensated well.			.864
Unions secure improved terms and better working conditions for their members.		.859	
Our unions provide protection, support and advice to their members.		.851	
Union providing legal and financial services to members whenever appropriate.		.680	
The dissatisfaction raised through grievance procedure are met.	.657		
KMO	.772		
Approx. Chi-Square	564.922		
Bartlett's Test of Sphericity (P<0.001) df=36			
Eigenvalues	2.420	2.414	1.183
% of Variance (66.859)	26.893	26.819	13.147

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 4 iterations.

Source: Research Data (2019)

4.7 Correlation Results

The researcher conducted correlation analysis in order to establish the relationship between variables. To achieve this Pearson's correlation product moment was carried out because all the variables were in interval scale. Pearson's product moment correlations were used to examine whether there exists a relationship between compensation and service delivery. This was necessary since as noted by Tabachnick and Fidell (2013), regression can only be conducted after correlations have been confirmed. Correlation coefficient showed the magnitude and direction of the relationship between the study variables and results presented in Table 4.22.

Table 4.22: Correlation Analysis

		Service	Direct	Indirect	Non-financial	Voice
Service	Pearson Correlation	1				
	Sig. (2-tailed)					
Direct	Pearson Correlation	.332**	1			
	Sig. (2-tailed)	.000				
Indirect	Pearson Correlation	.565**	.621**	1		
	Sig. (2-tailed)	.000	.000			
Non-financial	Pearson Correlation	.457**	.538**	.588**	1	
	Sig. (2-tailed)	.000	.000	.000		
Voice	Pearson Correlation	.378**	.458**	.414**	.492**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

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

b. Listwise N=201

Source: Research Data (2019)

Findings of the study showed that there was a significant influence of direct compensation on service delivery in county health facilities (r=0.332, p =0.00). This implies that an increase in direct compensation there was an improved service delivery. There was a significant positive influence of indirect compensation on service delivery in county health facilities (r= 0.565, p =0.000). Therefore, the more indirect compensation led to an increase in service delivery in county health facilities. The study showed that there was a significant influence of non-financial compensation on service delivery in county health facilities (r=0.457, p =0.00). This implies that an increase in non-financial compensation there was an improved service delivery.

On the mediator variable employee voice, the study findings showed that there was a significant positive influence of employee voice on service delivery (r =0.378,

p=0.000). The more the employee voices within the health facilities the higher the service delivery. Findings of the study showed that there was a significant influence of direct compensation, indirect compensation, non-financial compensation on service delivery in county health facilities. There was a significant positive influence of employee voice on service delivery county health facilities.

4.8 Testing of Assumptions of Multiple Regressions

The compensation and service delivery items that were positively worded were coded and entered into SPSS (version 22) in order to test the assumptions of multiple regression. Data for these variables were consequently examined for multiple regression assumptions; normality, linearity, homoscedasticity, autocorrelation and multicollinearity.

4.8.1 Testing for Assumption of Normality

The assumption is based on the shape of normal distribution and gives the researcher knowledge about what values to expect (Keith, 2006). The researcher tested this assumption through several pieces of information: visual inspection of data plots, skew, kurtosis, and P-Plots (Osborne & Waters, 2002). Data cleaning was important in checking this assumption through the identification of outliers. The statistical software employed has tools designed for testing this assumption. Normality was further checked through histograms of the standardized residuals (Stevens, 2009) was used as summarized in Figure 4.1. Response scores for items measuring these variables were first summed and then averaged to yield the score for a particular variable. The variables were therefore adjudged to be normally distributed.

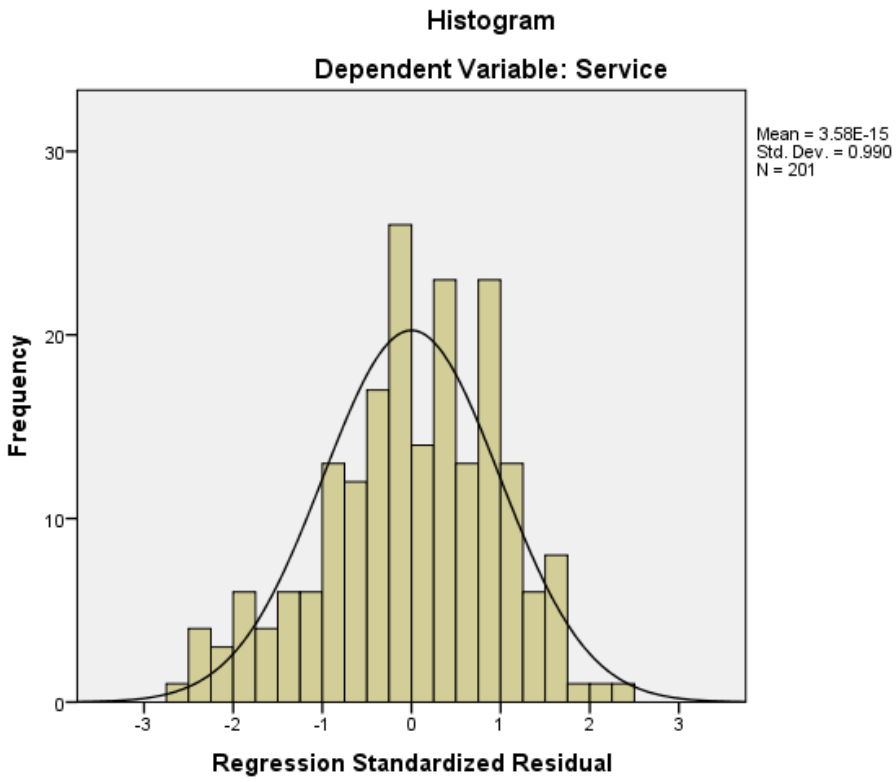

Figure 4.1 Normality

4.8.2 Testing for the Assumption of Linearity

Linearity is the assumption that a straight-line relationship exists between two variables (Tabachnick & Fidell, 2013). Testing for linearity was deemed necessary since linearity is an assumption of regression which must be satisfied. In-depth examination of the residual plots and scatter plots available in most statistical software packages indicated linear vs. curvilinear relationships (Keith, 2006; Osborne & Waters, 2002). Residual plots showing the standardized residuals vs. the predicted values were useful in detecting violations in linearity (Stevens, 2009). Any systematic pattern or clustering of the residuals suggests violation (Stevens, 2009). Residual plots showing the standardized residuals and the predicted values were used to establish linearity as shown in Figure 4.2.

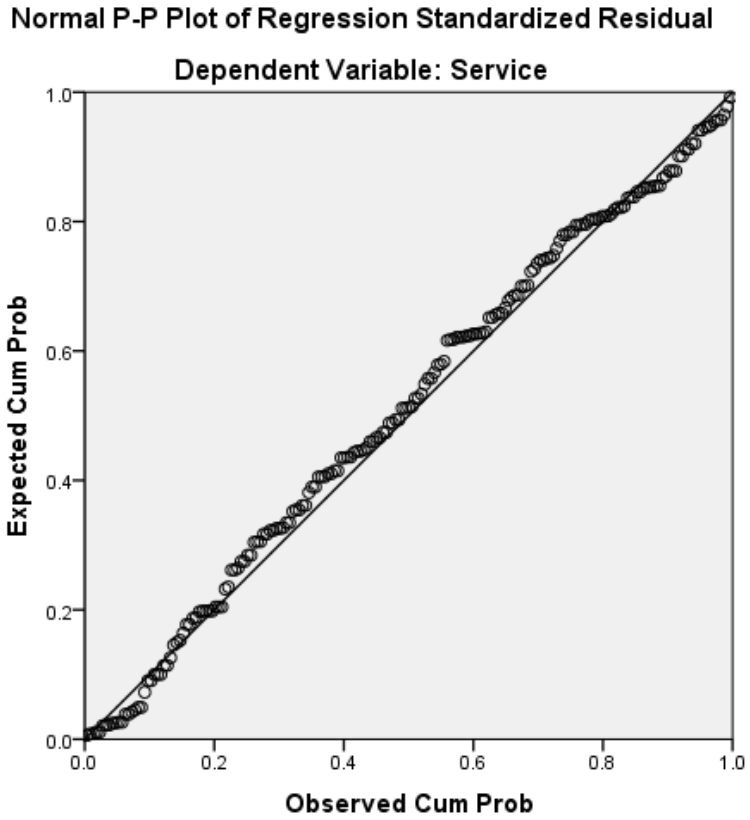

Figure 4.2 Linearity
Figure 4.2: Linearity

4.8.3 Testing for Homoscedasticity

Homoscedasticity applies to multiple regressions and as noted by Tabachnick and Fidell, (2013), assumes uniform variability in scores for dependent variable in relation to the independent variables. The assumption of homoscedasticity refers to equal variance of errors across all levels of the independent variables (Osborne & Waters, 2002). Homoscedasticity was checked using the standardized residual scatter plot (Figure 4.3). Testing for homoscedasticity was necessitated by the use of hierarchical multiple regression as the principal inferential statistical approach. For this assumption to be met, variables were expected to produce oval or elliptical scatter plots. Results shown in Figure 4.7 indicate that oval scatter plots were in all the cells indicating non-violation of the homoscedasticity requirement was not violated.

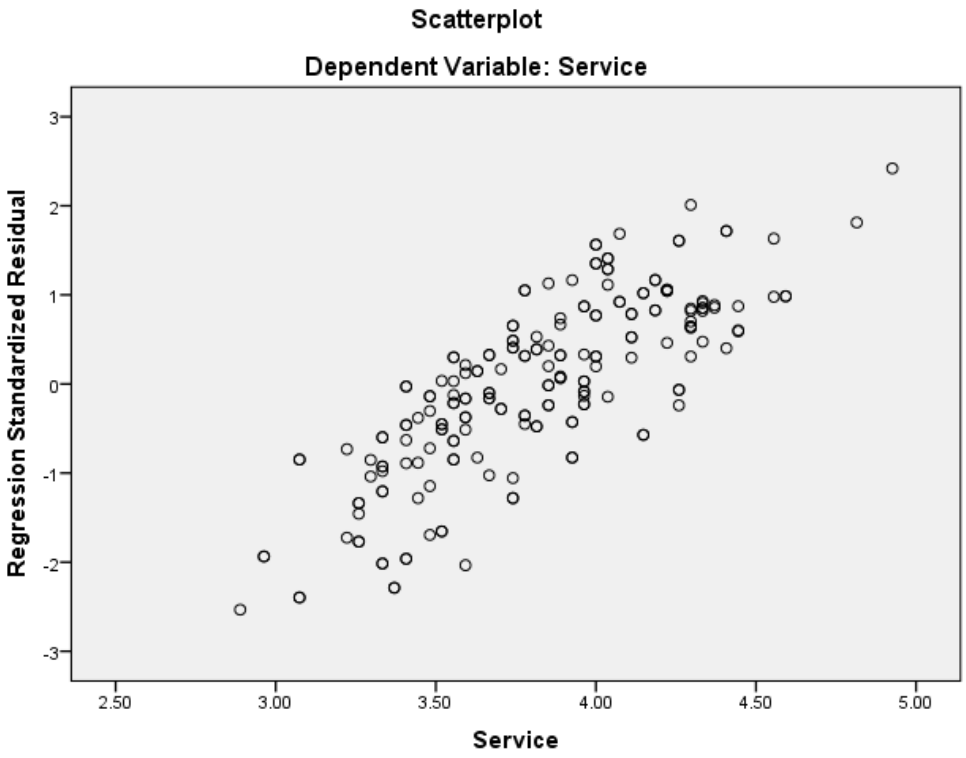

Figure 4.3 Homoscedasticity

4.8.4 Testing for Autocorrelation

Autocorrelation as noted by Tabachnick and Fidell (2013) is a measure of correlation among regression residuals. Occasionally, the assumption of independence of errors is violated when factors such as time and distance are associated with the order in which cases are taken. Independence of errors was therefore tested using the Durbin-Watson statistic which is regarded as a measure of autocorrelation of errors when the order of cases is factored in (Tabachnick & Fidell, 2013).

Under this test, the critical values of $1.5 < d < 2.5$ were used to examine presence of autocorrelation. Consequently, a Durbin-Watson statistic lying within the two critical values was deemed to signify lack of first order linear auto-correlation in our multiple linear regression data. Results presented in Table 4.23 reveal that the Durbin-Watson

statistic d=1.956 was between the two critical values and hence there was no first order linear auto-correlation in our multiple linear regression data.

Table 4.23: Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.604[a]	.365	.352	.30899	1.956

a. Predictors: (Constant), Voice, Indirect, Nonfinancial, Direct
b. Dependent Variable: Service
Source: Research Data (2019)

4.8.5 Testing for Multicollinearity

Multicollinearity is identified as a situation where independent variables or predictors are highly correlated among themselves (Vatcheva, Lee, McCormick, & Rahbar (2016). Vatcheva *et al.,* (2016) contend that multicollinearity can lead to standard errors being unstable and biased, this may be as a consequence result in interpretations that may be unrealistic and untenable. Moreover, in the presence of multicollinearity, it may not be practically possible to assume the interpretation of the regression coefficient as being attributed to one variable, while holding others constant because of the information that could be overlapping.

To test for multicollinearity, the Variance Inflation Factor (VIF), this is known to assess the increase in the variance of an estimated regression coefficient when there is correlation among the predictors (Tabachnick & Fidell, 2013). The rule of thumb for a large VIF value is ten and tolerance should be greater than 0.2 (Keith, 2006; Shieh, 2010) as shown in Table 4.24. Results presented show that all the VIF values were below the threshold values indicating that multicollinearity was not an issue in the present study.

Table 4.24: Collinearity Diagnostics

Model		Collinearity Statistics	
		Tolerance	**VIF**
1	(Constant)		
	Direct	.544	1.839
	Indirect	.521	1.919
	Nonfinancial	.558	1.792
	Voice	.702	1.424

a. Dependent Variable: Service delivery
Source: Research Data (2019)

4.9 Linear Regression Analysis

Linear regression is an approach to modelling the relationship between a scale of variable Y or more variables denoted as X. The regression coefficient summary was then used to explain the nature of the relationship between the dependent and independent variables. In this section the coefficient of determination (R square) was used as a measure of the explanatory power, to show how the independent variable explains the dependent variable. Adjusted R square was used as a measure of explanatory power of the independent variable in exclusion of the dependent variable. The regression coefficient summary was used to explain the nature of the relationship between the dependent and independent variable. The researcher used linear regression analysis to test the first four null hypotheses.

4.9.1 Influence of Direct compensation on service delivery

A linear regression model was used to explore the relationship between direct compensation and service delivery. The R^2 represented the measure of variability in service delivery that direct compensation accounted for. From the model, (R^2 = .110) shows that direct compensation account for 11% variation in service delivery. Therefore, the direct compensation predictor used in the model captured the variation in the service delivery as shown in Table 4.25.

Table 4.25: Model Summary on Direct compensation and service delivery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.332[a]	.110	.106	.36294

a. Predictors: (Constant), Direct compensation
b. Dependent Variable: Service delivery
Source: Research Data (2019)

4.9.1.1 Analysis of Variance on Direct compensation and service delivery

The analysis of variance was used to test whether the model significantly fit in predicting the outcome than using the mean as shown in (Table 4.26). The regression model with direct compensation as a predictor was significant (F=24.666, p =0.000). This shows that there is a significant influence of direct compensation on service delivery. Thus, reject the null hypothesis that there is no effect of direct compensation on service delivery.

Table 4.26: Analysis of Variance on Direct compensation and service delivery

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.249	1	3.249	24.666	.000[b]
	Residual	26.213	199	.132		
	Total	**29.462**	**200**			

a. Predictors: (Constant), Direct compensation
b. Dependent Variable: Service delivery
Source: Research Data (2019)

4.9.1.2 Direct compensation and service delivery Coefficients

In addition, the β coefficient for direct compensation as independent variable was generated from the model, in order to test the hypotheses under study. The t-test was used to identify whether the direct compensation as predictor is making a significant contribution to the model. Table 4.27 shows the estimates of β-value and gives contribution of the predictor to the model.

Table 4.27: Direct compensation and service delivery Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.406	.087		39.289	.000
	Direct	.162	.033	.332	4.966	.000

a. Dependent Variable: Service delivery

Source: Research Data (2019)

From the findings the t-test associated with β-values was significant and the direct compensation as the predictor was making a significant contribution to the model. The study hypothesized that there is no significant influence of direct compensation on service delivery. The β-value for direct compensation had a positive coefficient, depicting positive relationship with service delivery as summarized in the model as:

$Y = 3.406+0.162x + \varepsilon$ …… Equation 4.1

Where: Y = Service delivery, X = Direct compensation, ε = error term

The study findings depicted that there was a positive significant relationship between Direct compensation and service delivery (β_1=0.162 and $p<0.05$). Therefore, a unit increase in direct compensation led to an increase in service delivery. Since the *p* value was less than 0.05 the null hypothesis (**H_{o1}**) was rejected. Therefore, we can conclude that direct compensation had a significant influence on service delivery. This implies that for every increase in the direct compensation, there was a rise in service delivery. Direct compensation had a significant influence on service delivery. The findings are consistent with a study by Hameed, Ramzan & Zubair (2014) on the impact of wage increase on employee performance found out that, a fixed wage have a significant positive effect on job satisfaction, regardless of an employee's risk preference.

The findings concur with Milkovich, Newman and Gerhart, (2011) who found out that by adding commission-earning opportunity, companies drive salesmen to set more aggressive goals, to work through obstacles and rejection, and to continue to prospect and seek new selling opportunities. The findings agree with Barber (2013) study which found that an increase in understanding of benefits following implementation of a flexible benefit plan generates increased satisfaction and hence increased performance. This finding agrees with Mayson and Barret (2006) who found that a firm's ability to draw in, encourage and retain staff is by providing competitive salaries and acceptable rewards is connected to firm performance and growth.

4.9.2 Effect of Indirect Compensation and the Service Delivery

A linear regression model was used to explore the effect of indirect compensation on service delivery. The R^2 represented the measure of variability in service delivery that indirect compensation accounted for. From the model, (R^2 = .319) shows that indirect compensation account for 31.9% variation in service delivery. Indirect compensation predictor used in the model captured the variation in the service delivery as shown in Table 4.28. Based on the regression model, the coefficient of determination (R squared) of .319 showed that 31.9% of the variation in service delivery was explained by indirect compensation.

Table 4.28: Model Summary on Indirect compensation and Service Delivery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.565[a]	.319	.316	.31748

a. Predictors: (Constant), Indirect compensation
b. Dependent Variable: Service delivery

Source: Research Data (2019)

4.9.2.1 Analysis of Variance on Indirect compensation and service delivery

The analysis of variance was used to test whether the model significantly fit in predicting the outcome than using the mean as shown in (Table 4.29). The regression model with indirect compensation as a predictor was significant (F=93.309, p value =0.001) shows that there is a significant effect of indirect compensation on service delivery. Thus, reject the null hypothesis that there is no significant effect of indirect compensation on service delivery.

Table 4.29: Analysis of Variance on indirect compensation and Service Delivery

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.405	1	9.405	93.309	.000[b]
	Residual	20.057	199	.101		
	Total	**29.462**	**200**			

a. Dependent Variable: Service delivery

b. Predictors: (Constant), Indirect compensation

Source: Research Data (2019)

4.9.2.2 Indirect compensation and service delivery Coefficients

In addition, the β coefficients for indirect compensation as independent variable were generated from the model. In order to test the hypotheses under study the t-test was used as a measure whether indirect compensation was making a significant contribution to the model. Table 4.30 shows the estimates of β-value and gave the contribution of the predictor to the model. The β-value for indirect compensation had a positive coefficient, depicting positive relationship with service delivery as summarized in the model as:

$Y = 3.054+0.262X+ \varepsilon$ …….…… Equation 4.2

Where: Y = Service delivery, X = Indirect compensation, ε = error term

Table 4.30: Indirect compensation and Service Delivery Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.054	.082		37.188	.000
	Indirect	.262	.027	.565	9.660	.000

a. Dependent Variable: Service delivery
Source: Research Data (2019)

From the findings the t-test associated with β-values was significant and indirect compensation as the predictor was making a significant contribution to the model. The study hypothesized that there is no significant influence of indirect compensation on service delivery. The study findings showed that there was a positive significant influence of indirect compensation on service delivery (β_2=0.262 and p <0.05). Therefore, a unit increase in indirect compensation led to higher service delivery. The null hypothesis (**Ho_2)** was rejected. Therefore, indirect compensation had a significant influence on the service delivery. This implies that for each increase in indirect compensation there was more service delivery.

The findings concur with Murray and Gerhart (2011) which found that there is a strong positive correlation between commission paid and employee performance. The findings of this study concur with Pergamit and Veum (2010) study on effects of bonuses on employee performance which found that there is a positive correlation between bonus and employee performance.

4.9.3 Influence of Non-Financial Compensation on Service Delivery

A linear regression model was used to explore the effect of non-financial compensation on service delivery. The R^2 represented the measure of variability in service delivery that non-financial compensation accounted for. From the model, (R^2 =.209) shows that non-financial compensation account for 20.9% variation in service delivery. The non-

financial compensation predictor used in the model captured the variation in the service delivery. The change statistics were used to test whether the change in adjusted R^2 is significant using the F-ratio as shown in Table 4.31.

Table 4.31: Model Summary on Non-Financial Compensation and Service Delivery

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	**.457[a]**	**.209**	**.205**	**.34226**

a. Predictors: (Constant), Non-Financial compensation
b. Dependent Variable: Service delivery
Source: Research Data (2019)

4.9.3.1 Analysis of Variance on Non-Financial Compensation and Service Delivery

The analysis of variance was used to test whether the model could significantly fit in predicting the outcome than using the mean as shown in (Table 4.32).

Table 4.32: Analysis of Variance on Non-Financial Compensation and Service Delivery

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.151	1	6.151	52.506	.000[b]
	Residual	23.311	199	.117		
	Total	**29.462**	**200**			

a. Dependent Variable: Service delivery
b. Predictors: (Constant), Non-Financial compensation
Source: Research Data (2019)

The regression model with non-financial compensation as a predictor was significant (F=52.506, p value =0.001) shows that there is a significant influence of non-financial compensation on service delivery. Thus, the null hypothesis that there is no significant effect of non-financial compensation on service delivery was rejected.

4.9.3.2 Coefficients of Non-Financial Compensation and Service Delivery

In addition, the β coefficients for non-financial compensation as independent variable were generated from the model, in order to test the hypotheses under study. The t-test was used to identify whether the non-financial compensation predictor was making a significant contribution to the model. Table 4.33 shows the estimates of β-value and gives contribution of the predictor to the model. The β-value for non-financial compensation had a positive coefficient, depicting positive relationship with service delivery as summarized in the model as:

$Y = 2.917+0.285x + \varepsilon$ ……..…… Equation 4.3

Where: Y = Service delivery, X = non-financial compensation, ε = error term

From the findings the t-test associated with β-values was significant and the non-financial compensation as the predictor was making a significant contribution to the model. The coefficients result in table 4.33 showed that the predicted parameter in relation to the independent factor was significant.

Table 4.33: Non-financial compensation and Service Delivery Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.917	.127		23.047	.000
	Non-financial	.285	.039	.457	7.246	.000

a. Dependent Variable: Service delivery

Source: Research Data (2019)

The study hypothesized that there is no significant influence of non-financial compensation on service delivery. The study findings depicted that there was a positive significant effect of non-financial compensation and service delivery (β_3=0.285 and p

<0.05). Therefore, a unit increases in non-financial compensation led to an increase in service delivery. Since the *p* value was less than 0.05 the null hypothesis (**Ho_3)** was rejected. Therefore, we can conclude that non-financial compensation had a significant influence on service delivery. The findings of this study concur with Pergamit and Veum (2010) study on effects of job promotion on employee performance which found that there is a positive correlation between promotions and employee performance.

4.10 Multiple Regression Analysis

Multiple regression analysis was used to analyze the relationship between a single dependent variable and several predictor variables (Hair *et al.,* 2006). The regression coefficient summary was used to explain the nature of the relationship between all the independent variables and the dependent. To determine the influence of compensation management practices on quality service delivery, the researcher used multiple regression analysis to test overall hypothesis of the study.

4.10.1 Model Summary

Based on the regression model the coefficient of determination (R squared) of .365 showing that 36.5% of the variation in quality service delivery can be explained by compensation management practices as summarized in Table 4.34. The adjusted R square of .352 depicts that all the compensation management practices in exclusion of the constant variable explained the variation in quality service delivery by 35.2% the remaining percentage can be explained by other factors excluded from the model.

Table 4.34 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.604[a]	.365	.352	.30899

a. Predictors: (Constant), Voice, Indirect, Nonfinancial, Direct

Source: Research Data (2019)

4.10.2 Analysis of Variance

The analysis of variance was used to test whether the model could significantly fit in predicting the outcome than using the mean as shown in (Table 4.35). The regression model of compensation management practices as a predictor was significant (F=28.15, p value =0.000) showing that there is a significant relationship between compensation management practices and quality service delivery.

Table 4.35: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10.749	4	2.687	28.146	.000[b]
	Residual	18.713	196	.095		
	Total	29.462	200			

a. Dependent Variable: Service

b. Predictors: (Constant), Voice, Indirect, Nonfinancial, Direct

Source: Research Data (2019)

4.10.3 β Coefficients for Compensation management practices

The β coefficients for compensation management practices as independent variable were generated from the model, in order to test the hypotheses of the study. The t-test was used to identify whether the compensation management practices predictor is making a significant contribution to the model. Table 4.36 gave the estimates of β-value and the contribution of each predictor to the model.

Table 4.36 Coefficients of Quality service delivery

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.710	.128		21.157	.000
	Direct	-.063	.038	-.128	-1.661	.098
	Indirect	.224	.037	.483	6.123	.000
	Nonfinancial	.103	.048	.165	2.171	.031
	Voice	.090	.039	.156	2.295	.023

a. Dependent Variable: Service

Source: Research Data (2019)

β-value for indirect, non-financial and employee voice, had a positive coefficient, depicting positive relationship with quality service delivery, but direct compensation had a negative coefficient depicting negative relationship with quality service delivery as summarized in the model as:

$Y = 2.7-0.063X_1+0.224X_2 +0.103X_3 +0.090X_4+\varepsilon$……..... Equation 4.4

Where:

Y =Service delivery, X_1 = direct compensation, X_2 = indirect compensation, X_3 = non-financial compensation, X_4 = voice and ε = error term

The study findings depicted that there was no significant influence of direct compensation on quality service delivery (β_1= -0.063 and p value >0.05). A direct compensation improvement does not lead to quality service delivery. There was a significant influence of indirect compensation on quality service delivery (β_2= 0.224 and p value >0.05). An increase in indirect compensation led to quality service delivery. From the study findings there was a positive significant influence of non-financial compensation on quality service delivery (β_3= 0.103 and p value <0.05).

An increase in non-financial compensation led to improved quality service delivery. Therefore, non-financial compensation had a significant influence on quality service delivery. The study findings depicted that there was a positive significant influence of voice on the quality service delivery (β_4= 0.090 and p value <0.05). An increase in voice led to improvement in the quality service delivery. Therefore, voice had positive significant influence on quality service delivery.

The findings showed that indirect compensation, non-financial compensation and employee voice had a positive coefficient, depicting positive relationship with quality

service delivery. This agrees with Ciarniene and Vienazindiene (2010) that compensation as all the forms of financial or monetary pay, services and benefits that workers get for their contribution to an organisation. Greater job satisfaction resulting from job rewards ensures employees focus on their tasks thereby increasing their productivity (Muchiri, 2016).

These findings agree with Armstrong (2003) that compensation embraces both financial and non-financial rewards, and thus all these need to be considered and integrated in order to maximize the effectiveness of reward policies and practices. This agrees with Sisson, (2010) Musenze, Thomas, Stella & Muhammadi (2013) that compensation management is an integral part of a human resource management approach to managing people, and as such it supports the achievement of the business strategy and is concerned with developing a positive employment relationship and psychological contract.

4.11 Mediation Analysis

The fourth objective was to examine the mediation effect of employee voice on the relationship between compensation management and Service delivery in health facilities. The independent variables representing compensation management were computed as an independent variable. It was established in the literature that compensation management influences service delivery in health facilities, however the mechanism is unknown, therefore the study hypothesized that one of the mechanisms was employee voice. The mediation effect of employee voice was conveniently tested using a special PROCESS Macro tool developed by Hayes (2013) using the regular linear regression menu item in SPSS application version 22.

PROCESS Macro tool is an inbuilt measurement tool with a bootstrapped confidence interval request procedure prescribed by Preacher and Hayes (2008). Mediation effect was tested since the data met the assumptions prescribed by Preacher and Hayes (2014). The four stages of the mediation process were followed as shown below;

1. Confirmed the significance of the relationship between compensation management and service delivery (X → Y)
2. Checked and confirmed the significance of the relationship between compensation management and employee voice (X → M)
3. Ascertained the significance of the relationship between the employee voice and the service delivery in the presence of compensation management (M|X → Y)
4. Examined whether the insignificance (or the meaningful reduction in effect) of the relationship between compensation management and the Service delivery in the presence of employee voice (X|M → Y) is there.

The first part of the output indicates all variables in the analysis as hypothesized – the dependent variable service delivery (SD) → (Y), independent variable compensation management (CM) → (X) and mediator employee voice (EV) → (M). The mediation effect of employee voice on the relationship between compensation management and service delivery in health facilities was checked by establishing the indirect, direct and total effect.

4.11.1 Total effect model

This was assessed by determining the relationship between compensation management and service delivery in health facilities, (Table 4.37). The model results showed R^2=0.283 and was significant ($p<0.000$) an indication that compensation management predict 28.3% of service delivery in health facilities. In this mediation model, the

regression of compensation management on service delivery in health facilities ignoring the mediator was significant, β = 0.322, t (199) = 8.857, p = <.000.

Table 4.37: Total Effect Model (Outcome: Service delivery)

Model Summary

	R	R-sq	MSE	F	df1	df2	p
	.532	.283	.106	78.448	1.000	199.000	.000
Model							
	coeff	**se**	**t**	**p**	**LLCI**	**ULCI**	
constant	2.893	.107	27.047	.000	2.682	3.103	
Comp	.322	.036	8.857	.000	.251	.394	

Source: Research Data (2019)

This finding meant that a unit increase in compensation management leads to 0.322 rise in service delivery in health facilities. It implies that compensation management significantly influences service delivery in health facilities among health facilities. Substituting equation with the results becomes equation 4.5 thus;

Service delivery in health facilities= 2.893+0.322CM +0.107.....(4.5)

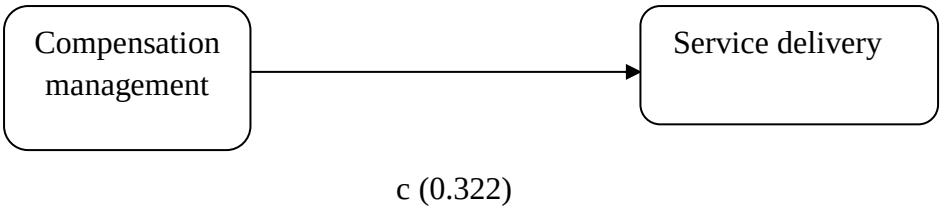

Figure 4.4 Analytical model (Total effect)

4.11.2 Direct effect

The effect of compensation management on employee voice was sought for the purpose of condition two of mediation. Table 4.38 indicates that the R^2=0.280 and was significant (p<0.000). Therefore, compensation management predicts 28% of employee voice. From the mediation regression model, the effect of compensation management on employee voice, was significant, β = 0.555, t (199) = 8.79, p = <.000.

Table 4.38: Model Summary (Outcome: Employee voice)

Model Summary

R	R-sq	MSE	F	df1	df2	p
.529	.280	.320	77.273	1.000	199.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	1.609	.186	8.664	.000	1.243	1.975
Comp	.555	.063	8.791	.000	.431	.680

Source: Research Data (2019)

From these findings a unit increase in compensation management causes 0.555 rise in employee voice. Thus, compensation management significantly contributes to the employee voice among health facilities. Substituting equation with the results becomes equation 4.6 thus;

Employee voice = 1.609+ .555CM +0.186….....(4.6)

4.11.3 Indirect effect

The indirect effect of employee voice on service delivery in health facilities, as well as the effect of compensation management on service delivery in health facilities controlling for employee voice was sought. The model results [β = 0.078, t (198) = 1.92, p = <.000] as summarized in table 4.39. This indicated that employee voice controlling for compensation management predict 29.6% (0.296) of service delivery in health facilities. Further, the analysis revealed that, the effect of compensation management on service delivery in health facilities controlling for employee voice was significant, [β = 0.279, t (198) = 6.55, p = <.000].

Table 4.39 Indirect Effects Model Summary (Outcome: Service delivery)

Model Summary

R	R-sq	MSE	F	df1	df2	p
.544	.296	.105	41.597	2.000	198.000	.000

Model

	coeff	se	t	p	LLCI	ULCI
constant	2.767	.125	22.198	.000	2.521	3.013
Voice	.078	.041	1.920	.056	-.002	.158
Comp	.279	.043	6.552	.000	.195	.363

Source: Research Data (2019)

Though the indirect effect remained significant at 0.279, it reduced from 0.322 in model I (total effect). Substituting equation with the results becomes equation 4.7 thus;

Service delivery in health facilities= 2.767+279CM+0.078EV+0.125…….....(4.7)

This finding revealed that, controlling for the mediator (Employee voice), compensation management was significant predictor of service delivery in health facilities, as denoted [c' = 0.279, t (198) = 6.55], however the magnitude dropped from 0.322, this confirms the presence of partial mediation (Edwards and Lambert 2007 & Kenny and Baron, 1986). Figure 4.5 depicts the analytical mediation frame work.

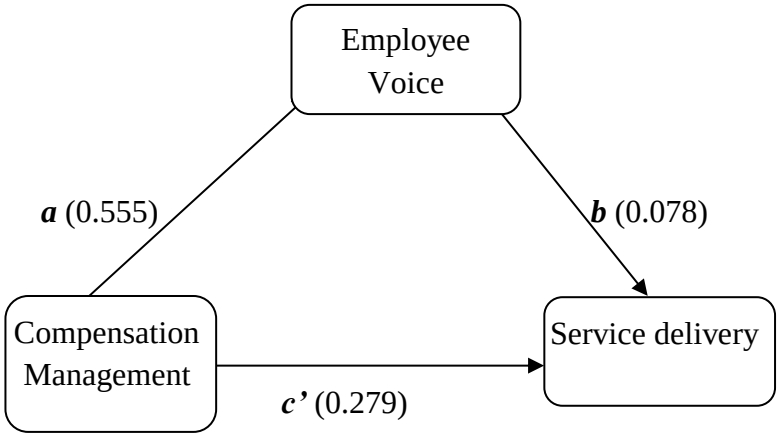

Figure 4.5 Analytical Model; Direct and indirect effect

4.11.4 Confirming Mediation Effect

Muller et al., (2005) suggested a confirmation of the existence of an equity relationship among the parameters of the models. The strength of the mediation was worked out

from the Total effect. The mediating effect of employee voice was obtained as a product of two indirect paths of service delivery in health facilities denoted as *a* and *b* (Figure 4.5) which is equivalent to total effect minus direct effect. This confirms the figures given by regression output on figure 4.5. This figure conforms with regression figure given in Table 4.40.

Indirect effect=*a* x *b* → (0.555 x 0.078) = 0.043= c-c'= (0.322-0.279) =0.043.

A bootstrap procedure was used to test statistical significance of indirect effect in mediated models. It provides a 95% confidence interval for the value of the indirect effect *ab* in terms of unstandardized coefficients as shown in table 4.36. The lower limit of confidence interval was .195 and the upper limit was .363. Since the confidence interval does not include zero at p <0.05, the null hypothesis **(H_{O4})** that *ab* = 0 was rejected.

Table 4.40: Total, Direct, and Indirect Effects

Effect of X on Y	Total	Direct	Indirect
Effect	.322	.279	.043
SE	.036	.043	.026
t	8.857	6.552	
P	.000	.000	
LLCI	.251	.195	-.008
ULCI	.394	.363	.094

Source: Research Data (2019)

4.11.5 Normal theory tests for indirect effect

A sobel test is also given in the regression output showing partial mediation in the model [Z= 1.864, p = .000] Table 4.41. This implied that employee voice is not the single dominant mediator and there may be other mediating variables through which compensation management might influence service delivery in health facilities.

Therefore, the hypothesis (**H_{O4}**) stating that employee voice does not mediate the relationship between compensation management and service delivery in health facilities is rejected.

Table 4.41 Normal theory tests for indirect effect

Effect	se	Z	p
.043	.023	1.864	.062

Source: Research Data (2019)

Null Hypothesis **H_{04}** indicated that employee voice does not have a significant mediating effect on the relationship between compensation management and service delivery in health facilities in health facilities. The study findings revealed that employee voice have a significant mediating effect on the relationship between compensation management and service delivery in health facilities. The study rejected the null Hypothesis. The findings agree with Clark (2011) study on effects of compensation on employee's performance which found that there is a strong positive correlation between compensation and employee's performance.

Employees normally find it necessary to form unions based on benefits and services that they offer to them. According to Bernadian (2008) unions achieve better wages for members, benefits and improved working conditions and this would mean that members in a union are more satisfied than non-union members. The degree to which employee voice is embedded in an organization is more important than reporting collective schemes.

This finding agrees with Marchington & Kynighou, (2012), that it is important that the degree and extent of voice of employees within an organization be known as it is believed to have an effect on their performance. This concurs with Mueller (2012) that employee voice in organizations impacts on quality and productivity of employees and inhibits issues that might explode. The findings agree with Shields and Ward (2011)

found that Salary, commission, bonuses and promotion on British nurses, have a stronger effect on employee's satisfaction which leads to improved performance.

4.12 Summary of Hypothesis

During the study there were four hypotheses tested and the summary was presented in table 4.42. The first H_{O1} stating that direct compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region was rejected ($p < 0.05$). H_{O2}: stated that indirect compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region was rejected ($p < 0.05$). H_{O3} stated that there is no significant influence of non-financial compensation on quality service delivery in County Referral Hospitals in North Rift region was rejected ($p < 0.05$). Finally, H_{O4}: Employee voice has no significance effect on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region was rejected ($p < 0.05$).

Table 4.42: Summary of Hypothesis

Research Hypotheses	Sig	Decision
H_{O1}: Direct compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region.	$p < 0.05$	**Rejected**
H_{O2}: Indirect compensation has no significant effect on quality service delivery in County Referral Hospitals in North Rift region.	$p < 0.05$	**Rejected**
H_{O3}: There is no significant influence of non-financial compensation on quality service delivery in County Referral Hospitals in North Rift region.	$p < 0.05$	**Rejected**
H_{O4}: Employee voice has no significance effect on the relationship between compensation management and quality service delivery in County Referral Hospitals in North Rift region.	$p < 0.05$	**Rejected**

Source: Research Data (2019)

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the study based on objectives, research questions and hypothesis, conclusions based on the findings and recommendations as well as suggestions for further research.

5.2 Summary of the Study

The study sought to understand the nature of service delivery in the health facilities as the dependent variable. The findings indicate that the employees understand the hospital quality service delivery charter and always provide services as promised and on time. This depend on handling patients' problems, keeping patients informed about when services are performed and able to inspire trust and confidence among them. The staff informs patients of the procedures to be undertaken before treatment and they also have the knowledge to answer patient questions.

Employees were comfortable in using the available equipment in the hospital, they always give patients individual attention, they have the patient's best interest at heart, and that they always understand the needs of the patients. The employees understand and meet the specified hospital plans and goals, like enjoying the type of work they do and keep patients' records accurately. The employees were not compensated well when they do good work, hospitals had no up to date equipment and all the physical facilities such as bathrooms and toilets are always clean. Patients are always assured of good services.

5.2.1 Effect of direct compensation on service delivery

The first objective sought to establish the effect of direct compensation on service delivery. Before examining the effect, a quantitative analysis of questionnaire responses was conducted to identify their awareness on direct compensation in health facility. An increase in their basic pay motivates them to improve service delivery. The study found out that the salary was not reviewed periodically, pay is not well balanced compared to the work they do, there was no system in the county of compensating employees were not entitled to incentives when hospital achieves its target.

There was no team that deals with employee rewards, employees were not provided with bonus and commission-based programs, receive no consummate salary, salary do not motivate employees to do their work well. The employees disagree with direct compensation in health facilities in North Rift. A linear regression model was used to explore the relationship between direct compensation and service delivery. From the regression model, ($R^2 = .110$) shows that direct compensation account for 11% variation in service delivery.

The study findings depicted that there was a positive significant relationship between direct compensation and service delivery ($\boldsymbol{\beta_1}$=0.162 and $p<0.05$). Therefore, a unit increase in direct compensation led to an increase in service delivery. Since the *p* value was less than 0.05 the null hypothesis (**Ho_1)** was rejected. The findings are consistent with a study by Hameed, (2014) on the impact of wage increase on employee performance found out that, a fixed wage have a significant positive effect on job satisfaction, regardless of an employee's risk preference. An increase in understanding of benefits following implementation of a flexible benefit plan generates increased satisfaction and hence increased performance.

This finding also agrees with the finding of earlier studies carried out by Kim, Mone and Kim, (2008), Loomis (2008), Redling (2008), Fein (2010), and Odunlade (2012) who reported that compensation management have a significant positive effect on organizational performance. They stated that firms with formal bonus plans had an average pre-tax return on investment better than firms without a formal plan. The findings are also in congruent with the Vroom's expectancy theory which reported that linking an increasing amount of rewards to performance increases motivation and performance in organisations.

This is also corroborated by the works of Sloof and Praag (2007) and Şafakli and Ertanin (2012) that equitable wage will bring a correlational relationship between employee motivation and their performance that will cause greater organisational efficiency and performance. However, Gomez-Mejia, Balkin and Cardy (2006) view employee compensation as the totality of base pay and fringe benefits. Base pay or cash pay is what is made available directly by employers for work done and these captures salary, overtime pay, shift allowance, costume allowances and pay. Compensation for performance includes merit awards, incentive pay, bonuses, gain sharing and other fringe benefits.

5.2.2 Effect of indirect compensation on service delivery

The second objective sought to establish the effect of indirect compensation on service delivery. The employer provides payments for time not worked (vacations, sabbatical, holidays) and their family are entitled to a reliable medical cover. The employer does not provide for Foreign Service premiums and that workers are compensated when they get injured on the job. The hospitals have partnered with health insurance companies for staff insurance policies, hospital had a pension scheme facility for its staff and an

all-round Work-Life-Balance system. There is availability of employee's retirement programs and employer remits their social security funds. This implies that employees disagree on indirect compensation in health facilities in North Rift.

From the linear regression model ($R^2 = .319$) shows that indirect compensation account for 31.9% variation in service delivery. Based on the regression model, the coefficient of determination (R squared) of .319 showed that 31.9% of the variation in service delivery was explained by indirect compensation. The study findings showed that there was a positive significant influence of indirect compensation and service delivery (β_2=0.262 and $p < 0.05$). A unit increase in indirect compensation led to higher service delivery. The null hypothesis (**H_{o2}**) was rejected. Therefore, indirect compensation had a significant influence on the service delivery.

This implies that for each increase in indirect compensation there was more service delivery. There is a strong correlation between commission paid and bonuses on employee performance. In the same light, McNamara (2006) and Odunlade (2012) are of the view that compensation covers issues concerning wage and /or salary programmes and structures cropping up from job descriptions, merit-based programmes, bonus-based schemes, schemes based on commission, while benefits exclusively talks about retirement plans, health life insurance, disability insurance, vacation or leave allowance, employee stock ownership scheme and so on.

Compensation can also include social security, health benefits, pension and gratuity plans, paid time off, tuition reimbursement, Foreign Service premiums (Aamir et al., 2012; Terera & Ngriande, 2014). Furthermore, skill-based pay also comes with its own risks in the area of employee paying higher compensation that are not offset by the

organisation's productivity. More so, employees may become "corroded" if there is no opportunity to engage the skills acquired (Aguinis et al., 2013).

When the employee reaches the bar of the pay structure, he or she may be frustrated and disengage from the organisation because the opportunity for further increment in pay is no longer there (Tremblay & Chênevert, 2008). Employee benefits, though a fractional part of the entire compensation encapsulates non-monetary form of compensation ranging from health care plans, to pension or retirement plans, social security, insurance, family and medical leave (Bernadin, 2007). Severance pay, is payment for time not worked (vacations, sabbatical, holidays) and workers compensation, that is paid when employees are injured while on the job (Cascio, 2003).

5.2.3 Effect of Non-Financial compensation on service delivery

The third objective sought to establish the effect of non-financial compensation on service delivery. The employer offers job rotation, employees have flexible work schedule and they always conduct job sharing. The working environment determined their service delivery and career development opportunities offered by management affect their morale. The employer does not promote employees depending on good services, employer do not train its employees periodically, there was no good working environment and that the employer does not offer employee recognition. The employees disagree with non-financial compensation in health facilities in North Rift. The non-financial reward builds staffs after duty and encourages them to contribute further by developing a deal that addresses broad number of problems. From the linear regression model, (R^2 =.209) showing that non-financial compensation account for 20.9% variation in service delivery. The non-financial compensation predictor used in the model captured the variation in the service delivery. The study findings depicted that there was a positive significant effect of non-financial compensation and service

delivery (β_3=0.285 and p <0.05). The null hypothesis (**Ho_3)** was rejected. Therefore, non-financial compensation had a significant influence on the service delivery.

An increase in non-financial compensation led to an increase in service delivery. The effects of job promotion on employee performance which found that there is a positive correlation between promotions and employee performance. This agrees with Adio & Popoola (2010) that managers and administrators will record an outstanding performance in framing sound policies vis-à-vis adequate working facilities, good atmospheric working environment. Employees get fulfilled by enhancing their knowledge self-efficacy or assurance in their effort by providing useful knowledge to the firm to broaden the performance of the firm as well as their own performance (Lin, 2007; Cruz, Pérez and Cantero, 2009).

Extrinsic motivation is a means to satisfy indirect needs or something given by someone else as recognition for good work done, for example, pay increases, praise and promotion. These are motivation that is anchored on the achievement of a desired goal or some other kind of external remuneration such as money or awards (Walker, Greene and Mansell, 2006). Lin (2007) was of the opinion that extrinsic motivation centers on the goal-driven reasons such as recompenses or remunerations gotten when executing a duty.

This finding agrees with Kim, Shim and Ahn (2011) that extrinsic motivation deals with behaviours that are engaged in response to activities that is apart from its own sake, such as payments or recognition or the dictates of other people. This is relevant to this study in the sense that without team work, the expected performance may not be achieved. The working environment satisfaction and the work itself definitely had a subjective reflection on individual feeling while the research work done on job

satisfaction dimensions include management, salary, welfare, praise, promotion, colleague, system and job condition as contained in the Herzberg two factor theory of motivation (Yang, 2006).

5.2.4 Mediation effect of employee voice on the relationship between compensation management and Service delivery in health facilities

The fourth objective was to examine the mediation effect of employee voice on the relationship between compensation management and Service delivery in health facilities. The study sought to establish the employee voice in health facilities. The unions secure improved terms and better working conditions for their members, health workers always go on strike in order to be compensated well and upward communication channels provide avenues which employees voice their views to management. The union provides legal and financial services, support and advice to their members.

The employees do not directly influence key decisions on compensations, dissatisfaction was raised through grievance procedure met and workers' suggestions were not solicited. The overall mean response score among the respondents with regard to employee voice in health facilities in North Rift was 3.20 and standard deviation of 0.67. This value lies in the interval which implies that employees appeared to be undecided on employee voice in health facilities in North Rift. The relationship between compensation management and service delivery in health facilities, model results showed R^2=0.283 and was significant ($p<0.000$) an indication that compensation management predict 28.3% of service delivery in health facilities.

The regression of compensation management on service delivery in health facilities ignoring the mediator was significant, $\beta = 0.322$, $t(199) = 8.857$, $p = <.000$. It implies

that compensation management significantly influences service delivery in health facilities among health facilities. The effect of compensation management on employee voice was sought for the purpose of condition two of mediation. The compensation management predicts 28% of employee voice. From the mediation regression model, the effect of compensation management on employee voice, was significant, $\beta = 0.555$, $t(199) = 8.79$, $p = <.000$.

The indirect effect of employee voice on service delivery in health facilities, as well as the effect of compensation management on service delivery in health facilities controlling for employee voice was sought. The model results [$\beta = 0.078$, $t(198) = 1.92$, $p = <.000$] indicated that employee voice controlling for compensation management predict 29.6% (0.296) of service delivery in health facilities. The effect of compensation management on service delivery in health facilities controlling for employee voice was significant, [$\beta = 0.279$, $t(198) = 6.55$, $p = <.000$].

Controlling for the mediator (Employee voice), compensation management was significant predictor of service delivery in health facilities, as denoted [$c' = 0.279$, $t(198) = 6.55$], however the magnitude dropped from 0.555, this confirms the presence of partial mediation. The mediating effect of employee voice was obtained as a product of two indirect paths of service delivery in health facilities denoted as *a* and *b* which is equivalent to total effect minus direct effect. A sobel test showed a partial mediation in the model [$Z = 1.864$, $p = .000$].

Employee voice is not the single dominant mediator and there may be other mediating variables through which compensation management might influence service delivery in health facilities. Wolf (1999) reported that pay for performance is the only way of modern compensation, but claimed that the main thing is defining performance

properly, and that the organization pays for results and not for effort. In addition, Mawoli and Babandako (2011), states that a positive relationship exists between compensation management and the employees' motivation. They argued further that as pay increases, the employee's commitment to the organization also increases.

The findings indicated that there are several reward systems which operate within organisations, and is frequently used as a vital management tool that can contribute to the effectiveness of a firm by inducing individual and group behaviour. Remuneration systems also bring in other objectives such as legal compliance, labour cost control, perceived fairness towards employees and improvement of employee output to attain higher productivity level and to meet customer's satisfaction (Bellon, Estevez-Cubilete, Rodriguez, Dandy, Lane and Deringer,2010; Tabiu & Nura, 2013).

It was observed that the design of remuneration schemes may incorporate pay for individual performance, pay for individual development, benefits centered on the performance of small groups or teams and finally remunerations may be anchored on division or organisational performance. Also, Solomon Hashim, Mehdi and Ajagbe, (2012) reported that there was a significant positive relationship between compensation management and the employees' motivation leading to the improvement in the employees' productivity. They concluded that a sound compensation program is essential so that pay can serve to motivate employee's production sufficiently to keep labour costs at an acceptable level.

Similarly, the findings of Malik (2010) and Gupta and Tayal (2013) aligned with the findings of this study that desire for position, power, security, achievement, working conditions, and recognition by management of health sector are source of motivation for the employee's that gears them toward greater performance which also enhances

the overall performance of the organisation in the health sector. It is notable; however, that compensation management goes beyond the issue of money, as it also covers nonfinancial compensation which ushers/provides in intrinsic or extrinsic motivation (Bob, 2011; Aguinis, Joo & Goltfredson, 2013).

Employees and likewise managers who are subscribers of the benefit philosophy are of the view that those who have put in another year of meritorious work deserve a rise in the base pay and that all incentives and other beneficiary programmes should continue unhindered regardless of the changes that might have occurred in industrial and economic conditions. On the other hand, in the case of the performance-oriented method, nobody is assured of compensation just for putting in an additional year of work to the service of the organisation. Instead, pay and other incentives are functions of the contribution and differences in terms of employee performance.

An employee who does not perform or are not diligent in their responsibilities receives little or no increment in their compensation (Karami et al., 2013; Khan & Jabbar, 2013). It is, therefore, imperative that organisations marry their compensation practice with performance to boost the achievement of organisational goals and thereby enhance the competitive advantage of the organisation (Brevis & Vrba, 2014). The reformed programmes of the government have no corresponding and significant effect on the financial compensation policies and practices in the health care facility due to improper compensation management.

5.3 Conclusion

The employees always provide services as promised and on time, keep patients informed about when services are performed and able to inspire trust and confidence among them. Employees were comfortable in using the available equipment in the

hospital, gave patients individual attention, have the patient's best interest at heart and understand the needs of the patients. Staff ready to respond to patients' requests any time and have the knowledge to answer patient questions. An increase in the basic pay will motivate them to improve service delivery.

The direct compensation had a significant influence on service delivery. The study concluded that there was a significant effect of direct compensation and service delivery. The employer provides payments for time not worked and their family are entitled to a reliable medical cover. The study concluded that, there was a positive significant influence of indirect compensation on service delivery.

The employer offers job rotation, employees have flexible work schedule and they always conduct job sharing. The working environment determines their service delivery and career development opportunities offered by management affect their morale. The study concluded that there was a significant effect of non-financial compensation and service delivery.

The unions secure improved terms and better working conditions for their members, health workers always go on strike in order to be compensated well and upward communication channels provide avenues which employees voice their views to management. The union provides legal and financial services to members whenever appropriate and protection, support and advice to their members.

Compensation management significantly influences service delivery in health facilities. The effect of compensation management on service delivery in health facilities controlling for employee voice was significant. Employee voice is not the single

dominant mediator and there may be other mediating variables through which compensation management might influence service delivery in health facilities.

5.4 Recommendations of the Study

From the study the following recommendations were made for consideration in order to ensure that services offered in Public Hospitals meet the needs of the quality health care services. The study recommends that county government should consider reviewing the salary of their employees regularly. The county government should put proper policy implementation on direct financial compensation like base pay and other allowances. The study recommends that county government should consider finding a way of paying bonuses based on the time period one has worked.

From the findings of this study, it was realized that most health care facilities have not seriously put into consideration the aspects of indirect financial compensation like health insurance, work injury compensation plan, transport allowance. It is therefore recommended that the county governments establish and implement indirect policies. The objectives will help the organization in developing indirect compensation and make decisions in this respect. Pension influence the health care workers' job satisfaction, attraction and retention, it should be paid based on the total emolument of workers, not on percentages when considering the contributions made by the health care workers and the risk involved in the work.

According to the result of this study, pension package should be offered irrespective of the employee age because some people retire early due to the injuries they sustain while serving the patients. Gratuity should be given more emphasis with regards to compensation policy in the health care facilities, considering its significance on workers' motivation, job satisfaction, attraction and retention. Hence, gratuity should

be paid by the government after the probation period of two years or soon after a worker became permanent and pensionable instead of years in service.

The study recommends that county government should embrace and adopt sound and fair compensation strategies that will boost high organization commitment and service delivery. It also recommends that, the county government should formulate and implement non-financial compensation policies like promotions, recognition and appreciation. This will ensure that there is training and adequate information on occupational safely, work injury compensation and health insurance. If that happens, there will be low staff turnover, reduction of work-related accidents hence continuity in production and service delivery. It is recommended that the management of the hospitals should be flexible and create a free working environment where staff would freely air their views on services being offered.

5.5 Implication of the Study

The study focused on the mediating effect of employee voice on compensation management and service delivery. The research was conducted using qualitative and quantitative research method by administering questionnaires and interview schedule to the respondents and the following are contribution to practice and theory.

5.5.1 Contribution to Practice

The research revealed that the salaries of the employees are commensurate with their work which shows that the perception of the employees about their salary is equal to their output. This has really encouraged them to work hard leading to higher performance and consequently enhancing the service delivery. The findings of this study equally revealed that the relationship between compensation management and job

performance of the employees is not significant in the sense that their salary is not at par with what is obtainable in similar companies within the industry.

There are no sufficient emoluments to motivate the employees to perform well as the salary they receive is not enough but fair and, on the average, their pay was reasonable. This, in turn, has enhanced the employees' performance with a correspondence increase in the service delivery of health care workers. The findings of this study show that compensation management enhances employee's motivation and in turn reflects on the performance of the firm. This is due to the recognition the employees receive from their supervisors and the promotion they earn deriving from the duty they perform and the interpersonal relationship with their colleagues within the organisation. All these are non-financial compensatory measures but have the potential of endearing the heart of the employees to the organisation leading to an improvement in the organisational performance.

Similarly, it was likewise revealed that factors like lack of developmental programmes and being paid less than their counterparts within the industry as well as the company policy have not really motivated the employees. The findings of the study reflect that self-actualisation of the employees working with referral hospitals is attributable to the compensation management that are not financial in nature. These are basically based on what the employee feels about their emotions, not doing what others expect of them, believe that people are good then trust them, bothered by fear of being independent, then expressing their feelings even if the result is going to be unfavourable in terms of consequences.

The research work on compensation management, employee voice and service delivery further discovered that employees avoids attempt to analyse and simplify complex

domains in terms of making critical decisions within the organization which will automatically affect the service delivery in the facility. Furthermore, findings from this research reveal that the relationship between compensation management and service delivery was significant. This is achieved through direct, indirect and non-financial compensation such as recognition by the employers by offering the employees developmental support programmes to any level that the employee wants to grow and become more fulfilled, thus resulting to the accomplishment of greater performance.

The researcher established that self-actualisation is the main advancement needed by employees that actually does not become a reality or never fully satisfied. Thus, it becomes a permanent source of motivation. The county government should ensure that there are sound compensation strategies so as to make sure that there is fairness in rewarding all the compensation aspects ranging from non-financial rewards, direct financial and indirect financial. This will be the only way to enhance service delivery.

5.5.2 Contribution to Theory

The findings of this study also aligned with the Herzberg's (1966) two factor theory that describes motivation as either motivators or hygiene factors. The motivators include variables like achievement, recognition, responsibility, work itself, advancement and potential to grow within the job. However, Herzberg (1966) also identified the hygiene factors to include variables such as company policies, salary, co-worker's relations, supervisory styles, job security and status. These findings are aligned with Herzberg's two factor theory that talks of motivators which are intrinsic factors like advancement, recognition, achievements and work itself.

On the other hand, Herzberg (1966) talks of hygiene as the second factor which is also referred to as dissatisfiers or extrinsic factors such as salary, company policies, job

security, interpersonal relationships and supervisory styles. The conclusion of Herzberg's two factor theory is that it is more evident that good performance is a product of job satisfaction rather than the reverse. Herzberg (1966) suggested further that to motivate employees to put in their best, the manager must pay attention to the motivators; nevertheless, the hygiene factors are not a 'second-class citizen system' but equally necessary to avoid unpleasantness at work as well as to deny unfair treatment.

This was also corroborated by the study done by Rashid et al., (2013) that job satisfaction and motivation are inseparable tangible principles when it comes to the issue of success of any firm and its workers. The management implication of expectancy theory is that to improve motivation and productivity, the management should make sure that the outcomes which workers perceive as a positive valence are also regarded by those workers as the actual outcomes of their work performance. The findings of this study also aligned to goal setting theory in that it was important in supporting employee voice and specifically employee participation and involvement.

Voice allows greater involvement of employees in deciding on issues that affect their work, (Locke & Latham, 2002). According to Armstrong (2009), employees are most likely to meet or exceed performance goals when they are empowered with the authority to make decisions and solve problems related to results for which they are accountable. The senior health officers involved employees in the strategic decisions like recruitment and selection, reward and compensation systems and training activities before implementation (Mitchell, 2012). This motivates the workers since they simply implement their own decisions.

Departments in the hospital are given autonomy to come up with new ideas on how to run the hospital and passed their ideas to the top management in the county hospital.

The findings of this study also aligned to social exchange theory that conceptualize social exchange in the workplace as a series of mutual, obligation-based exchanges between interdependent parties (Blau, 1964). Social exchange occurs between two or more actors who are dependent on one another for valued outcomes. Social exchange theory argues that individuals direct their reciprocation efforts toward the source from which benefits are received (Blau, 1964).

A key paradigm in examining workplace relations is social exchange theory (SET). Its basic premise is that human relations are formed based on subjective cost–benefit analysis, so that people tend to repeat actions rewarded in the past, and the more often a particular behavior has been rewarded, the more likely its recurrence (Homans, 1958). Applying supervisor-employee relationships to customer-service provider relationships, it is expected that the greater the perceived support of service providers by customers, the greater the perceived satisfaction. As a result, the production and delivery of service is enhanced, which in turn leads to customer satisfaction.

5.6 Suggestion for Further Studies

This study sought to determine the mediation effect of employee voice on the relationship between compensation management and Service delivery in County Referral Hospitals in North Rift region. Future studies should be carried out in other regions in order to make comparisons. The study focused only on direct, indirect and non-financial compensation, thus future studies should consider other forms of compensation. This study used mediation of employee voice and this study recommends the moderation of employee voice. The study recommends that a similar study be done in all the other private and public hospitals in the remaining counties so as to bring the true picture of the compensation strategies in Referral Hospitals across the country.

REFERENCES

Aamir, A., Jehanzeb, K., Rasheed, A. and Malik, O.M. (2012). Compensation methods and employee's motivation (with reference to employees of National Commercial Bank, Riyadh). *International Journal of Human Resource Studies*, 2(3): 221-230.

Adio, G. and Popoola, S.O. (2010). Job satisfaction and career commitment of librarians in federal university libraries in Nigeria. *Library Review*, 59(3): 175-184.

Aduda J. (2011) '*The relationship between executive compensation and firm performance in the Kenyan banking sector' Journal of Accounting and Taxation 3(6): 130-139.*

Aguinis, H., Joo, H. and Goltfredson, R.K. (2013). What monetary rewards can and cannot do: How to show employees the money. *Business Horizons*, 56(2): 241-249.

Agwu, M.O. (2013). Impact of fair reward system on employee's job performance in Nigerian Agip Oil Company Limited, Port Hacourt. *British Journal of Education, Society and Behavioural Science*, 3(1):47-64.

Algilanan, (2003). D. ''Attitudes To Service Quality: The Expectation Gap.'' *Nutrition and food science, vol.33* , 165-173.

Ali Kadhim A (2017) *Relationship between Strategic Compensation and Rewards and Organizational Performance*. Perdana College, Universiti Teknologi Malaysia.

Allen, R. and Kilmann, R. (2011). The Role of Reward System for a Total Quality Management Based Strategy. *Journal of Organizational Change Management*, 14(2): 110- 131.

Anyango, C, & Obange, L. (2013). Factors affecting performance of trade Unions in Kenya, *American Journal of Business and Management, 2(2), 182-185.*

Anyango, C., Obange, N., Abeka, E., Ondiek, G., Odera, O., Ayugi, M. (2015). Factors Affecting Performance of Trade Unions in Kenya. *American Journal of Business and Management, 2*(2), 182-185.

Anyebe , A. (2003). The Nigerian Civil Service; Issues in structure and operation, *journal of professional administration*,5; 11-17.

Apwoka, Q. M & J. Kwasira (2015). Influence of human resource management professional act on performance of the human resource function in Nakuru County, Kenya. *International Journal of Economics, Commerce and Management.* United Kingdom Vol. III, Issue 5, May 2015

Armstrong, M (2003). *A hand book of human resource management.* 9th edition London: Kogan Page Limited

Armstrong, M. (2005). *A Handbook of Human Resources management practices.* UK: Kogan.

Armstrong, M. (2008). *Strategic Human Resource Management*: A Guide to Action. Philadelphia: Kogan Page Publishers.

Armstrong, M. (2009). *A handbook of human resource management practice*. (11th ed.) London: Kogan (Chapter 56).

Armstrong, M. (2011). *Strategic Human Resource Management*. (1st Ed.) London: Kogan Page Limited.

Arul, and Jayaraman (2013) Human Resource Practices in India-*International Journal of Humanities and Management Sciences* (IJHMS) Volume 1,

Aslam, A., Ghaffar, A., Talha, T., & Musthaq, H. (2015). Impact of compensation and reward system on the performance of an organization: An empirical study on banking sector of Pakistan. *European Journal of Business and Social Sciences, 4*(8).

Aswathappa, K. (2008) *Human Resource and Personnel Management*, 4th Ed., New Delhi, India: Mc Graw Hill

Atambo, W. N. (2012). The role of employee recognition that can be tapped to improve performance at both individual and organizational levels. *International Journal of Arts and Commerce*, *1*(7), 134-145.

Babin, B.J. and Boles, J.S. (1996) The Effects of Perceived Co-Worker Involvement and Supervisor Support on Service Provider Role Stress, Performance, and Job Satisfaction, *Journal of Retailing*, 72(1), pp.57-75.

Bagozzi, R.P. (1995) Reflections on Relationship Marketing in Consumer Markets, *Journal of the Academy of Marketing Science*, 23(4), pp.272-7.

Baker D (2012). Why has the British. National Minimum Wage had little or no Impact on Employment? *Journal of Industrial Relations, 50, 489-512.*

Barber, A., & Woo, N. (2012). *The Chained CPI: A Painful Cut in Social Security Benefits and a Stealth Tax Hike* (No. 2012-27). Center for Economic and Policy Research (CEPR).

Barber, K. D. (2013). A Study of Alumni Engagement and Satisfaction as Related to Alumni Volunteerism and Philanthropy.

Baron, R. M., & Kenny, D. A. (1986). The moderator–mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of personality and social psychology*, *51*(6), 1173

Bellon, J.S., Estevez-Cubilete, A., Rodriguez, N., Dandy, R., Lane, S. and Deringer, E. (2010). Employee engagement and customer satisfaction. *Proceedings of the Academy of Health Care Management, Allied Academics International Conference,* New Orleans, 7(1): 1-5.

Berenson, R. A. and Cassel, C. K. (2009). Consumer driven health care may not be what patients need-caveat emptor. *JAMA*, 301(3), 321–3

Bernadin, H.J. (2007). *Human resource management*: An exponential approach. (4th ed). New York: McGraw-Hill Irwin

Bernardin, H. J. (2008). *Human Resource Management. An Experiential Approach*. Tata McGraw Hill.

Best, John W. and Kahn, J.V. (2008). *Research in Education*, New Delhi, Prentice Hall of India Private

Bhuiyan, M. A. H. (2010). Employee participation in decision making in RMG sector of Bangladesh: Correlation with motivation and performance. *Journal of Business and Technology (Dhaka)*, *5*(2), 122-132.

Biswas, S. & Varma, A. (2007). Antecedents of employee performance: An empirical investigation in India (Management development Institute) *Employee Relations*, 2007. Emerald Group publishing Ltd. *Volume. 12 Number. 3 pp 146-155.*

Blau, P.M. (1964). *Exchange and power in social life*. New York: Wiley.

Block, R., & Berg, P. (2010). Collective bargaining as a form of participation in the United States and Europe. In Adrian Wilkinson, Paul J. Gollan, Mick Marchington, & David Lewin (Eds.), *The Oxford handbook of participation in organisations*. Oxford: Oxford University Press.

Bob, N. (2011). Making employees suggestions count. *Journal of Personnel Management*, 17, 20-41.

Bohlander, G. & S. Snell, (2014). Managing human resources (13thed.). Mason: Thompson.

Bolino, M.C., Turnley, W.H., & Bloodgood, J.M. (2002). Citizenship behavior and the creation of social capital in organizations. *Academy of Management Review*, 27, 505–522.

Bond, J. T., & Galinsky, E. (2006). How can employers increase the productivity and Retention of entry-level, hourly employees? *Research Brief No. 2* .

Brevis, T. and Vrba, M. (2014). Contemporary management principles. South Africa: Juta and Company Ltd.

Brown, J. S. and Duguid, P. (2003). Organizational learning and communities-of-practice. Amsterdam: Butterworth-Heinemann.

Bryson, A., Buraimo, B., & Simmons, R. (2011). Do salaries improve worker performance? *Labour Economics*, *18*(4),

Cascio, W.F. (2003). *Managing human resources*: Productivity, Quality of work, life, profits. (6th ed.) New-York : McGraw Hill Higher Education.

Chepkoech, R. E. (2013). Procurement Planning and Service Delivery In State Corporation In Kenya. *A Unpublished Thesis, University Of Nairobi*.

Cheruiyot, P.,K., & Kwasira, J. (2013). *Challenges of devolving Human Resource Function in Kenya:* A case study of Nakuru County; Proceedings of JKUAT – SHRD Research Conference.

Chhabra, T. N. (2001): *Human Resource Management, Concepts and Issues*, 2nd Revised Ed., Delhi: Dhanpat Rai & Co. (P) Ltd.

Čiarnienė, R., & Vienažindienė, M. (2010). Critical issues for compensation and incentives management: theoretical approach. *Management Theory and Studies for Rural Business and Infrastructure Development*, *24*(5), 15-22.

Clark, C. (2012). *The sleepwalkers: How Europe went to war in 1914*. Penguin UK.

Clark, R. (2011). *Einstein: The life and times*. A&C Black.

Clegg, B., & Birch, P. (2002). *Crash course in Managing people*. Kogan Page Publishers.

Cole, G. (2005). *Management Theory and Practice*. (6thed.). London:

Corby, S., White, G., & Stanworth, C. (2005). No news is good news? Evaluating new pay systems. *Human Resource Management Journal*, *15*(1), 4-24.

Cox, A., Brown, D., & Reilly, P. (2010). Reward strategy: Time for a more realistic reconceptualization and reinterpretation? *Thunderbird International Business Review*, *52*(3), 249-260.

Creswell, J. W. (2003). A framework for design. *Research design: Qualitative, quantitative, and mixed methods approaches*, 9-11.

Cruz, N.M., Pérez, V.M. and Cantero, C.T. (2009). The influence of employee motivation on knowledge transfer. *Journal of Knowledge Management*, 13(6): 478-490.

Danish, R.Q & Usman, A. (2010). Impact of Reward and Recognition on Job Satisfaction and Motivation. An empirical study from Pakistan. *International Journal of Business and Management, 5, 159-167*

Daud, D. (2014). Conducting exploratory and confirmatory factor analyses for competency in Malaysia logistics companies. *Academic Research International*, *5*(4), 432-439.

De Cenzo, D.A. & Robbins, S.P. (2007). Fundamentals of Human Resources Management, Eighth Edition John Wiley & Sons, Inc.

De Nissi, A. S., & Griffin, R. W. (2001). *Human Resource Management.* New York: Houghton Mifflin .

DeNisi, A. S, & Griffin, R.W. (2008). *Managing Human Resources* (3rd Edition). Boston: Houghton-Mifflin.

Dessler, Gary (2011): *Human Resource Management,* 12th Ed., New Jersey: Prince Hall

DiCenzo, J. L. (2007). Behavioral finance and retirement plan contributions: How participants behave, and prescriptive solutions. *EBRI Issue Brief*, (301).

Dobre O. I. (2013), *Employee motivation and organizational performance*. 5(1): 53

Draugalis, J. R., Coons, S. J., & Plaza, C. M. (2008). Best practices for survey research reports: a synopsis for authors and reviewers. *American journal of pharmaceutical education*, *72*(1).

Duberg, C., & Mollén, M. (2010). Reward systems within the health and geriatric care sector. *rapport nr.: Ekonomistyrning 09-10-19*.

Dunnette, M. D., Campbell, J. P., & Hakel, M. D. (1967). Factors contributing to job satisfaction and job dissatisfaction in six occupational groups. *Organizational Behavior and Human Performance*, *2*(2), 143-174. https://doi.org/10.1016/0030-5073(67)90027-X

Edwards, J. R., & Lambert, L. S. (2007). Methods for integrating moderation and mediation: a general analytical framework using moderated path analysis. *Psychological methods*, *12*(1),

Emerson, R. (1976). Social exchange theory, *Annual Review of Sociology*, 2, 335-362.

Ennis, K., & Harrington, D. (2001). Quality Management in Iris Healthcare. *The Service Industries Journal*, 21(1), 149-168.

Fein, B. (2010). Compensation management strategies. *Journal of Personnel Management*, 18: 13-27.

Field, A. (2009). *Discovering statistics using SPSS*. Sage publications.

Fraenkel, J. R., & Wallen, N. E. (2000). *How to design and evaluate research in education*. New York: McGraw.

Francesconi, M. (2001), "Determinants and consequences of promotions in Britain", *Oxford Bulletin of Economics and Statistics,* Vol. 63 No. 3, pp. 279-310.

Frankfort-Nachmias, C., & Nachmias, D. (2008). Research methods in the social sciences 5th ed. *New York, NY: Worth*.

Frege, Carola & Godard, John (2010). Cross-national variation in representation rights and governance at work. In A. Wilkinson, P. J. Gollan, M. Marchington, & D. Lewin (Eds.), *The Oxford handbook of participation in organizations* (pp. 526–551). Oxford: Oxford University Press.

Gall, M. D., Borg, W. R., & Gall, J. (2003). P.(1996). *Educational Research. An Introduction*.

Ganzach, Y. (2003). Intelligence, education and facets of job satisfaction. *Work and Occupations*, 30(1): 97-122, February.

Gefen, D. & Ridings, C.M. (2002). Implementation team responsiveness and user evaluation of customer relationship management: A quasi-experimental design study of social exchange theory. *Journal of Management Information Systems,* 19, (1), 47-69.

Georg, P. &Rastogi, R., (2007). New model of job design: motivating employees' performance. *Journal of Management Development, 25(6): 72-587.*

Gerhart, B., Rynes, S. L., & Fulmer, I. S. (2009). Pay and performance: Individuals, groups, and executives. *The Academy of Management Annals*, 3:251–315

Gerhart, Gichaba, S.M. (2011). *Perceived influence of trade unions on terms and conditions of service and job security of employees at Kisii University in Kenya*. Unpublished Masters thesis, Nairobi: University of Nairobi.

Glaman, J.M., Jones, A.P. and Rozelle, R.M. (2002) Competitiveness and the Similarity tof Preferred Coworkers*, Journal of Applied Social Psychology,* 32(1), pp.142-58.

Gollan, P. J., & Patmore, G. (2013). Theoretical perspectives of legal regulation and industrial relations at the workplace: Limits and challenges of interdisciplinary employee voice. *Journal of Industrial Relations, 55*(4), 488–506.

Gollan, P. J., & Xu, Y. (2014). Fostering corporate sustainability. In *Sustainability and Human Resource Management* (pp. 225-245). Springer, Berlin, Heidelberg.

Gomez -Mejia, L.R., Balkin, D.B., & Cardy, R.L. (2006). *Managing Human Resources*. New Jersey: Pearson Prentice Hall

Gomez-Mejia L, Balkin D, Cardy R, (2012). *Managing Human Resources* (7thed.).Boston: Pearson.

Gonzalez C. M. (2009). *Workers' Involvement at the Workplace and job quality in Europe*. Sage Publications Inc.

Gouldner, Alvin W. (1960). The norm of reciprocity: A preliminary statement. *American Sociological Review*. 25:161-78

Greckhamer, T. (2011). Cross-cultural differences in compensation level and inequality across occupations: A set-theoretic analysis. *Organization Studies*, *32*(1), 85-115.

Grobler PA, Wärnich S, Carrell MR, Elbert NF & Hatfield RD. (2011). *Human resource management in South Africa*. 4th ed. Andover: Cengage.

Gupta, A, and Tayal, T. (2013). Impact of competing force of motivational factors on employees at work place. *Information and Knowledge Management*, 3(5): 143-148.

Guru, C. (2003). Tailoring e-service Quality through CRM. *Managing Service Quality*, 13(6), 20-531.

Gyimah, C. I. (2011). *The Effect Of Motivation On Employee Performance In Phinphonrat School* In Thailand.

Hair. Jr., J. F., Black., W. C., Babin., B. J., Anderson., R. E., & L.Tatham., R. (2006). *Multivariant Data Analysis.* New Jersey: Pearson International Edition.

Hajaj, M. A. (2014). Violence against Nurses in the Workplace. *Middle East J Nurs.*, 7(3), 20-26.

Hall, M. Hutchinson, S. & Purcell J. (2013) Promoting effective consultation? Assessing the impact of the I&C Regulations. *British Journal of Industrial Relations* 51(2): 355–381.

Hameed, A., Ramzan, M., & Zubair, H. M. K. (2014). Impact of compensation on employee performance (empirical evidence from banking sector of Pakistan). *International Journal of Business and Social Science*, *5*(2).

Harrison, A. (2005). *Has globalization eroded labor's share*? Some cross-country evidence.

Hash, K. M., & Netting, F. E. (2007). Long-term planning and decision-making among midlife and older gay men and lesbians. *Journal of Social Work in End-of-Life & Palliative Care*, *3*(2), 59-77.

Hayes, A. F., & Preacher, K. J. (2014). Statistical mediation analysis with a multicategorical independent variable. *British journal of mathematical and statistical psychology*, *67*(3), 451-470.

Hayes, F. A (2013). Introduction to Mediation, Moderation, and Conditional Process

Heale, R and Twycross, A. (2015) Validity and Reliability in Quantitative Studies. *Evidence Based Nursing*, 18(3), pp.66-67.

Herzberg, F. (1966). *Work and the nature of man.* Clevelland: World.

Herzberg, F. (1968). One more time. *How do you motivate employees*, 53-62.

Herzberg, F. (1987). One more time: how do you motivate employees?. *Harvard business review*, *65*(5).

Herzberg, F. (2002). The motivation-hygiene concept. *PMP: Project management professional study guide. London, UK: Sybex International*.

Herzberg, G., & Johns, J. W. C. (1967). The spectrum and structure of the free BH2 radical. *Proceedings of the Royal Society of London. Series A. Mathematical and Physical Sciences*, *298*(1453), 142-159.

Hewitt, A. (2009). Managing performance with incentive pay. *Journal of personnel Management.*

Homans, G. C. (1958). Social behavior as exchange. *American Journal of Sociology*, 597–606.

House, R. J., Shapiro, H. J., & Wahba, M. A. (1974). Expectancy theory as a predictor of work behavior and attitude: A re-evaluation of empirical evidence. *Decision Sciences, 5*(3), 481-506.

HRH Report, (2012-2030). Integrated Human Resources information system (iHRIS), *Human Resources for health (HRH), Capacity bridge International.* Retrieved from: www.ihris.go.ke

Hughes, J. (2007). Office design is pivotal to employee productivity. Sandiego source the daily Transcript.

Hunter, A., Wilson, L., Stanhope, M., Hatcher, B., Hattar, M., Messias, D. K. H., & Powell, D. (2013). Global health diplomacy: An integrative review of the literature and implications for nursing. *Nursing Outlook, 61*(2), 85-92.

Idemobi, E. I., Onyeizugbe, C. U., & Akpunonu, E. O. (2011). Compensation management as tool for improving organizational performance in the Public Sectors: A study of the Civil Service of Anambra State of Nigeria. *Sacha journal of Policy and strategic Studies, 1*(1), 109-120.

Igalens, J. & Roussel, P. (2009). A Study of the Relationship between Compensation Package, Work Motivation and Job satisfaction. *Journal of Organisational Behaviour,* Vol. 20. 1003-1025

Imberman, S. A. (2015). How effective are financial incentives for teachers?. *IZA World of Labor*.

Jepkorir, B. M. (2014). The effect of trade unions on organizational productivity in the cement manufacturing industry in Nairobi. *Unpublished Thesis Submitted To University of Nairobi*.

Johnson, R. B., & Onwuegbuzie, A. J. (2004). Mixed methods research: A research paradigm whose time has come. *Educational researcher*, *33*(7), 14-26.

Journal of Global Business and Economics (2010) *Is job satisfaction mediating the relationship between compensation structure and organizational commitment?* A study in the Malaysian power utility. Vol. 1 No. 1 page 45.

Juan, A. M., Thomas, B., & Cristo, M. (2007). The Use of Employee Participation In USA And Spanish Companies, *International Journal Of Management Science, vol.3*.

Julizaerma, M. K., & Sori, Z. M. (2012). Gender diversity in the boardroom and firm performance of Malaysian public listed companies. *Procedia-Social and Behavioral Sciences, 65*, 1077-1085.

KACC. (2010). ‘’Sectoral Perspective on Corruption in Kenya, The Case of Public Health Care Delivery.’’: *research department and policy department of preventive series. Nairobi, Kenya*

Kadian W. W & Mutsotso S. N. (2010). Relationship between capacity building and employee productivity on performance of commercial banks in Kenya, *Africa Journal of History and Culture, 2*(5),73-78.

Kagaari, J. R. (2010). *Performance management practices and managed performance: The moderating influence of organisational culture and climate* (Doctoral dissertation, Makerere University).

Kagaari, J. R., Munene, J. C., & Ntayi, J. M. (2013). Agency relations and managed performance in public universities in Uganda. *SA Journal of Industrial Psychology*, *39*(1), 01-10.

Kanzunnudin, M. (2007). Effect of wages and supervision of employee productivity: A case Study on PT Tonga Tiur Son Zenith District Kragan. *Fokus Ekonomi*, *2*(1), 11-20.

Kappel, M. (2012). *What does Direct Compensation include? what-does-direct-compensation-include* retrieved on 27/06/2018.

Karami, A., Dolatabadi, H.R. and Rajaeepour, S. (2013). Analysing the effectiveness of reward management system on employee performance through the mediating role of employee motivation case study: Isfahan Regional Electric Company. *International Journal of Academic Research in Business and Social Sciences*, 3(9): 327-338.

Kariuki, P., 2014, *Corruption Devolved to the Counties*, *Daily Nation*, 4 April, Nairobi.

Katua T. N., Mutua E., Gachunga H. G. (2014), *Effects of reward and compensation strategies on the performance of commercial banks in Kenya. International Journal of Education and Research*, 2(1):14-16.

Keith, T. (2006). *Multiple regression and beyond.* Pearson Allyn & Bacon.

Keller, J. M. (2009). *Motivational design for learning and performance: The ARCS model approach*. Springer Science & Business Media.

Khan, M.M. and Jabbar, M. (2013). Determinants of employee's performance in corporate sector: Case of an emerging market. *Business and Management Research*, 2(3): 25-32.

Khan, R. I., Aslam, H. D., & Lodhi, I. (2011). Compensation Management: A strategic conduit towards achieving employee retention and Job Satisfaction in Banking Sector of Pakistan. *International journal of human resource studies*, *1*(1), 89.

Kim, J., McDuffie, J. P., & Pil, F.K. (2010). Employee voice and organisational performance: Team versus representative influence. *Human Relations*, 63(3), 371, 394.

Kim, J.Y., Shim, J.P. and Ahn, K.M. (2011). Social networking service: Motivation, pleasure, and behaviour intention to use. *Journal of Computer Information System*, Summer: 92-101.

Kim, S., Mone, M.A. and Kim, S. (2008). Relationships among self-efficacy, pay-for performance perceptions, and pay satisfaction: A Korean examination. *Human Performance*, 21(2): 158-179.

Kimungu, S. I. & Maringa, P. M. (2010), An Assessment of the Impact of Employee Turnover on Customer Service and Competitiveness of an Establishment, *International Research Symposium in Service Management* 1694-0938

Kimutai, M. S., Kimutai, K. V., & Mzee, A. F. (2013). Mobile number portability: A case study of Kenya.

Koech P. M. & Namusonge G. S. (2012). The Effect of Leadership Styles on Organizational Performance at State Corporations in Kenya. *International Journal of Business and Commerce*, *2*(1), 1-12.

Kombo, D. K., & Tromp, D. L. (2006). Thesis and thesis writing: An introduction. *Nairobi: Paulines Publications Africa*, *5*, 814-30.

Kothari C. R. (2008), *Research Methods and Techniques* (2nd ed.) New Delhi: (P) Limited,

Kubaison, S. T. (2015). *Relationship between employee participation schemes and performance of State Corporations in Kenya* (Doctoral dissertation).

Kuria, P. N. (2012). *The effects of employee welfare programmes on job satisfaction of employees within the flower industry in Kenya* (Doctoral dissertation, Doctoral dissertation).

Lagat, A. C., Mutai, B. K., Kosgey, I. S., & Nyahururu, K. (2014). Importance of Employee Welfare and Performance: The Case of the UASU at Egerton University, Kenya. *European Journal of Business and Management ISSN*, 2222-2839.

Lavelle, J.J., Rupp, D.E., & Brockner, J. (2007). Taking a multifoci approach to the study of justice, social exchange, and citizenship behavior: The target similarity model. *Journal of Management,* 33, 841-866.

Lawler III, E.E. (2011). Designing High Performance Organizations. *Center for Effective Organizations*, 1-18.

Lawler, E. L. (1973). Optimal sequencing of a single machine subject to precedence constraints. *Management science*, *19*(5), 544-546.

Lazear, E. P. (2011). Inside the firm: contributions to personnel economics. *OUP Catalogue*.

Lee, T. W., & Mowday, R. T. (1987). Voluntarily leaving an organization: An empirical investigation of Steers and Mowday's model of turnover. *Academy of Management journal*, *30* (4), 721-743.

Levine D, Tyson L (1990) Participation, productivity, and the firm's environment. In: Blinder AS (ed.) *Paying for Productivity*. Washington, DC: Brookings Institution, 183–244.

Liao, H., & Chuang, A. (2004). A Multilevel Investigation of Factors Influencing Employee Service

Lin, H.F. (2007). Effects of extrinsic and intrinsic motivation on employee knowledge sharing intentions. *Journal of Information Science,* 33(2), 135-149.

Liu, Y., & Wang, G. (2007). Inpatient satisfaction with nursing care and factors influencing satisfaction in a teaching hospital in China. *Journal of nursing care quality*, *22*(3), 266-271.

Locke, E. A., & Latham, G. P. (2002). Building a practically useful theory of goal setting and task motivation: A 35-year odyssey. *American psychologist*, *57*(9), 705.

Loomis, K. (2008). Reward management, Journal of Industrial Relation, 21:5-12.

Makhamara, Waiganjo, Kwasira (2016) *Influence of Strategic Employee Voice on Employee Performance in the Health facilities in Kenya.* Vol 3, No 3 (2016)

Malik, M.E., Naeem, B. and Ahmad, W. (2012). Creative performance of pharmaceutical saleforce: Role of intrinsic motivation and learning goal orientation. *Journal of Basic and Applied Scientific Research*, 2(12): 12633-12640.

Malik, N. (2010). A study on motivational factors of the faculty members at University of Balochistan. *Serbian Journal of Management*, 5(1): 143-149.

Marchington, M. (2007). Employee voice systems. *Oxford Handbook of Human Resource Management, The*, 231.

Marchington, M., & Kynighou, A. (2012). The dynamics of employee involvement and participation during turbulent times. *The International Journal of Human Resource Management, 23*(16), 3336-3354.

Markovic, S., & Jankovic, S. R. (2013). Exploring the Relationship between Service Quality and Customer Satisfaction in Creation Hotel Industry. *Tourism and Hospitality Management*, 19, 149-164.

Martocchion, J. (2006). *Strategic Compensation: A Human Resource Management Approach*, New Jersey: Prentice Hall.

Masinde. (2011) *Comparative analysis on the effects of social welfare facilities on employee motivation in Pan African Paper mills and Mumias Sugar Company*. University of Nairobi

Matthews, B., & Ross, L. (2014). *Research methods*. Pearson Higher Ed.

Mawoli, M.A. and Babandako, A.Y. (2011). An evaluation of staff motivation, dissatisfaction and job performance in an academic setting. *Australian Journal of Business and Management Research,* 1(9): 01-13.

Maxcy, S. J. (2003). Pragmatic threads in mixed methods research in the social sciences: The search for multiple modes of inquiry and the end of the philosophy of formalism. *Handbook of mixed methods in social and behavioral research*, (51-89).

Mayson, S. and R. Barret, 2006.*The 'science' and 'practices' of human resources management in small firms*. Hum. Resour. Manage. R., 16(4): 447-455.

McCabe, B., Loughlin, C., Munteanu, R., Tucker, S., & Lam, A. (2008). Individual safety and health outcomes in the construction industry. *Canadian Journal of Civil Engineering*, *35*(12), 1455-1467.

McCabe, D. (2008). Who's Afraid of Enterprise?: Producing and repressing the enterprise self in a UK bank. *Organization*, *15*(3), 371-387.

McDaniel, C., & Gates, R. (2013). *Marketing research*. Singapore.

McKean, S. C. (2012). *Principles and practice of hospital medicine*. Univerza v Ljubljani, Medicinska fakulteta.

McNamara, C. (2006), *Employee Training and Development: Reasons and Benefits. Free Management Library.* (Online) available at http://managementhelp.org/ trng_dev/ basics/reasons.htm (Assessed on September 2, 2016).

Mensah, F.B, & Dogbe, O. D. (2011). Performance-Based Pay as a Motivational Tool for Achieving Organizational Performance: An Exploratory Case Study. *International Journal of Business and Management,* 6, 12

Midida, K.P. (2014). *Factors Influencing Adoption of Integrated HRM Information System in the Civil Service in Kenya*. Nairobi: University of Nairobi

Mike, K. (2012). *What does Direct Compensation include? https:// www. Patriot software.com/payroll/training/blog/what-does-direct-compensation-include/ retrieved on 27/06/2018.*

Milkovich, G. T., Newman, J. M., & Gerhart, B. (2011). *Compensation* (10th ed.). Boston, MA: McGraw-Hill Irwin

Milkovich, G. T., Newman, J., & Cole, N. (2010). Compensation (3rd. Canadian ed.). *Modeling and Analytics, 1*(2), 45-59

Mitchell, A. (2012). Financial incentives in quality rating and improvement systems: Approaches and effects. *QRIS National Learning Network. As of February*, *1*, 2015.

MOH. (2012). ‘‘Accelarating Attainment of Health Goals, The First Kenya Health Sector Strategic and Investment Plan-KHSS.’’ Nairobi: Government printer.

Moorhead, G., & Griffin, R. W.(1995). *Organizational behavior: Managing people and organizations.*

Morrison, E. W. (2011). Employee voice behavior: Integration and directions for future research. *The Academy of Management Annals*, *5*(1), 373-412.

Muchiri, H. (2016). *Effects of Rewards on Employee Performance in the Hospitality Industry: A Case of Nairobi Serena Hotel*. United States International University-Africa

Muchomba F, G. (2014). Influence of devolved Governance and Performance of the Health facilities in Kenya. *Strategic Journals volume* 2(51), pp 67-105

Mueller, S. (2012). Works councils and establishment productivity. *ILR Review*, *65*(4), 880-898.

Mugenda, O. Mugenda. A. (2009). Sample size determination. *The Business journals.*

Mujataba, B. and Shuaib, S. (2010). An equitable total rewards approach to pay for performance management. *Journal of Management Policy and Practice,* 11(4): 111-121.

Mukuru, E. (2013). Effect of motivation on employee performance in public middle level technical training institutions in Kenya. *International Journal of Advances in Management and Economics, 2*(4), 73–82.

Musenze, I.A, Thomas, M., Stella, B. and Muhammadi, L. (2013). Reward management and organisational performance: An empirical study of private universities in Uganda. *International Journal of Innovative Research and Development,* 2(8): 90-96.

Mutiria, J. K., Rukangu, D. S., & Kubaison, D. T. (2015). Factors Influencing Employee Retention at Meru University of Science and Technology. *IOSR Journal of Business and Management (IOSR-JBM), 17*(11), 75-82.

Mutua, J., Ngui, D., Osiolo, H., Aligula, E., & Gachanja, J. (2012). Consumers satisfaction in the energy sector in Kenya. *Energy policy*, *48*, 702-710.

Mwakesi, F. M (2014). Factors Hindering Health Professionals from Achieving Hospital Goals at Moi Teaching and Referral Hospital, Kenya. *International Journal of Business and Social Science*, *5*(10).

Mwangi, P. K. (2014). *The Effect of Compensation on Employee Motivation: A Case Study of Chloride Exide*. United States International University-Africa.

Nadim, A.G. and Khan, M.A. (2013). The moderating role of employee engagement on the relationship of determinants of job satisfaction and job satisfaction itself: A study on the cement industry of Pakistan. *Business and Management Review*, 2(11): 1-12.

Nadler, D. A., & Lawler, E. E. (1983). Quality of work life: Perspectives and directions. *Organizational dynamics*.

Nanziri, E. L. (2017). *Financial Inclusion and Welfare in Post-Apartheid South Africa* (No. RP_323).

Nathan, K. (1970). "Clarification and Evaluation of the Two-Factor Theory of Job Satisfaction". *Psychological Bulletin.*

Ndetei, D., Khasakhala, L. and Omolo, J. (2008). Incentives for Health Worker Retention in Kenya. *Discussion Paper Series 62*. Africa Mental Health Foundation and Institute of Policy Analysis and Research, Kenya.

Ndung'u, A. W., & Kwasira, J. (2012). *Role of reward systems in enhancing employee motivation in commercial banks in Nakuru Town,* Kenya.

Nembhard, I. M., Alexander, J. A., Hoff, T. J. and Ramanujam R. (2009). Why does the quality of health care continue to lag?. Insights from management research. *Academy of Management Perspectives*, 23(1):24–42.

Neuman, W. L. (2000). The meanings of methodology. *Social research methods*, *60*, 87.

Ng'ethe J. M., Iravo M., E. & Namusonge, G. S. (2012). Determinants of Academic Staff Retention in Public Universities in Kenya: Empirical Review. *International Journal of Humanities and Social Science*, *2*(13), 205-212

Njoroge, D.I (2015). *Effect of Integrative Leadership Style on Organizational Commitment in Technical Institutions in Kenya.* Unpublished PhD thesis, Jomo Kenyatta University of Agriculture and Technology. www.ijsk.org/ijrss

Nnaji-Ihedinmah, N. C., & Egbunike, F. C., (2010). Effect of Rewards on Employee Performance in Organizations: A Study of Selected Commercial Banks in Awka Metropolis.

Noe, H., Hollenbeck, D., Gerhart, C., &Wright, S. (2007). Human resource practices and firm performance of multinational corporations: *International Journal of Human Resource Management*, Vol.9, 632-651.

Nolan, S. (2012). A Look of Current Trends Data. *Strategic HR Review*, 11(3): 32-54.

Numan, N. (2010). Compensation and Benefits: Definition and Importance http:///www.hr.com/ en/app/blog/2010/02/comoensation. Accessed 10/5/19.

Nyaribo, O. L., (2016). The Effect of Non-Financial Compensation on Employee Performance of Micro-Finance Institutions: A Case of Wakenya Pamoja Sacco, Kisii County, Kenya. *Imperial Journal of Interdisciplinary Research*, *2*(6).

Nyongesa, W. O, (2013). Evaluation of the level of quality of healthcare accorded to patients in selected public and private hospitals in kiambu and nairobi counties in kenya. *primary health care 3;129. Dol.*, 129.

Odunlade, R.O. (2012). Managing employee compensation and benefits for job satisfaction in libraries and information centres in Nigeria. http://digital commons.unl.edu? utm_ sour ce= digital commons.unl.edu%2flibphilprac% 2f714&utmmedium= pdf&utm_ campaign =pdfcoverpages/

Oduor, C. (2013). Integrity in the Public Health Sector Service Delivery in Busia County. Nairobi: *Institute of Economic Affairs IEA Kenya*.

Ojo, O. (2008). Organisational culture and performance: Empirical investigation of Nigerian insurance companies. *Manager*, (08), 118-127.

Ojukuku, R.M., & Sayuigbe, A. S. (2014). Effect of Employee Participation In Decision Making On Performance Of Selected Small Medium Scale Enterprises In Lagos, Nigeria. *European Journal of Business Management, Volume 6, Number.10, pp93-102.*

Okumbe, J. (2010). *Human Resources Management, an Educational Perspective, Educational Development and Research Bureau*.

Oliver, R. (1974). Expectancy is the probability that the individual assigns to work effort being followed by a given level of achieved task performance. Expectancy Theory Predictions of Salesmen's Performance. *Journal of Marketing Research* 11, 243-253.

Organ, D.W. (1990). *The motivational basis of organizational citizenship behavior*. In B.M. Staw and L.L. Cummungs (Eds.), Research in organizational behavior, 12, 43-72. Greenwich, CT: JAI.

Organization for Economic Cooperation and Development health statistics (OECDHS, 2015) (2015). *Definitions, Sources and Methods* (2015). A system of Health Accounts. OECD publishing

Orodho, A. J. (2009). Elements of Education and Social Science Research Methods: Maseno. *Kenya: Kanezja Publishers*.

Osborne, J., & Waters, E. (2002). Four assumptions of multiple regression that researchers should always test. *Practical assessment, research & evaluation*, *8*(2), 1-9.

Parker, A. (2003). An Exploration of the Value of Education in Recruiting and Retaining Staff. *British Journal of Anaesthetic and Recovery Nursing, 4*(2), 8-15.

Pendergast, W. R. (2009). Challenges and opportunities of business education in southeast Europe: The case of a Balkan business school. *Journal of Teaching in International Business*, *20*(3), 244-267.

Pergamit, M. R., & Veum, J. R. (2010). What is a Promotion? *ILR Review*, *52*(4), 581-601.

Peterson, R.A and Kim, Y. (2013) On the Relationship between Coefficient Alpha and Composite Reliability. *Journal of Applied Psychology*, 98(1), p.194.

Petrescu, A. & Simon, R. (2008). Human Resources Management Practices and Worker's Job Satisfaction. *International Journal of Manpower*, 29, (7), 651-667.

Petrick, J. (2009). ''The Role Of Quality, Value And Satisfaction In Predicting Cruise Passengers Behavioral Intentions.'' *journal of travel research vol.41(3)* .

Polit, D. F., & Hungler, B. P. (2005). Nursing researched principles and methods sixth edition.

Preacher, K. J., & Hayes, A. F. (2008). Asymptotic and resampling strategies for assessing and comparing indirect effects in multiple mediator models. *Behavior research methods*, *40*(3), 879-891.

Preacher, K. J., Rucker, D. D., & Hayes, A. F. (2007). Addressing moderated mediation hypotheses: Theory, methods, and prescriptions. *Multivariate behavioral research*, *42*(1), 185-227.

Pyman A, Cooper B, Teicher J, and Holland P (2006) A comparison of the effectiveness of employee voice arrangements in Australia. *Industrial Relations Journal* 37: 543–59.

Rallis, S. F., & Rossman, G. B. (2003). Mixed methods in evaluation contexts: A pragmatic framework. *Handbook of mixed methods in social and behavioral research*, 491-512.

Rashid U, Wani NA, Kumar FA 2013. Difference in job satisfaction and work motivation among government and private company employees. *International Journal of Innovative Research and Development*, 2(7): 143-148.

Redling, O. (2008). Effects of merit pay on performance. *Journal of Management*, 31: 12-19.

Reinartz, W., Krafft, M., & Hoyer, W. D. (2004). The customer relationship management process: Its measurement and impact on performance. *Journal of marketing research*, *41*(3), 293-305.

Resurreccion, P.F. (2012). Performance management and compensation as drivers of organisational competitiveness: The Philippine perspective. *International Journal of Business and Social Science*, 3(21): 20-30.

Rhoades, L. & Eisenberger, R. (2002). Perceived organizational support: A review of the literature. *Journal of Applied Psychology,* 87, 698-714

Richard, B. (2014). *The effect of motivation on employees' performance: empirical evidence from the brongahafo education directorate*. Citeseer.

Rod, M., Ashill, N. J., Shao, J., & Carruthers, J. (2009). An Examination of the Relationship between Service Quality Dimensions, Overall Internet Banking Service Quality and Customer Satisfaction: A New Zealand Study. *Marketing Intelligence & Planning*, 27(1), 103–126.

Roeloelofsen, P., (2012). The impact of office environments on employee performance: The design of the workplace as a strategy for productivity enhancement. *Journal of Facilities Management;* ABI/INFORM Global, 1(3): 247-264.

Rosenbaum, M.S. and Carolyn, A.M. (2007) When Customers Receive Support from Other Customers: Exploring the Influence of Inter-customer Social Support on Customer Voluntary Performance, *Journal of Service Research*, 9(3), pp.257-70.

Ruby, M. (2012). *The Impact of Indirect Compensation on Employees Productivity: a Case of Central University College*. Published Research

Rupp, D.E. & Cropanzano, R. (2002). The mediating effects of social exchange relationships in predicting workplace outcomes from multifoci organizational justice. *Organizational Behavior and Human Decision Processes,* 89, 925-946.

Rynes, S. L., Gerhart, B., & Minette, K. A. (2004).*The importance of pay in employee motivation*: Discrepancies between what people say and what they do. Human Resource Management, 43, 381–394.

Sabwami, B., & Gachunga, H. (2014). High-Performance Work Practices and Organizational Performance: Evidence from Kenyan Organizations. *The Strategic Journal of Business and Change Management*, *2*(32), 621-641.

Sachdev, S. B., & Verma, H. V. (2004). Relative Importance of Service Quality. *Journal of Services Research,* 4(1): 93-116.

Şafakli, O.V. and Ertanin, M. (2012). Universality of factors motivating employees in the banking sector of Northern Cyprus and their demographic reflections. International *Journal of Academic Research in Business and Social Sciences,* 2(1): 627-643.

Sajuyigbe, Olaoye & Adeyemi (2013). Impact of Reward on Employees Performance in a Selected Manufacturing Companies in Ibadan. *International Journal of Arts and Commerce*, 2(2)

Salisu, J.B., Chinyio, E.A. and Shubashini, S. (2016a) The Influence of Compensation on Public Construction Workers' Motivation in Jigawa State of Nigeria. *Business and Management Review,*7(3), pp. 306- 316.

Salisu, J.B., Chinyio, E.A. and Suresh, S. (2016b) The Impact of Compensation on Public Construction Workers' Retention in Jigawa State of Nigeria. *International Journal of Engineering Science and Management,* 6(2), pp.17-30.

Saunders, M., Lewis, P., & Thornhill, A. (2007). Research methods. *Business Students*.

Sciedu, L., Hamoud, M. W., Tarhini, A., Akour, M. A., & Al-Salti, Z. (2016). Developing the main knowledge management process via social media in the IT organisations: A conceptual perspective. *International Journal of Business Administration*, 7(5), p49.

Scotti, D. J., Harmon, J. and Behson, S. J. (2007). Links among high-performance work environment, service quality, and customer satisfaction: an extension to the healthcare sector. *Journal of Health Care Management*, 52(2):109–24.

Seers, A., Petty, M.M. and Cashman, J.F. (1995) Team-Member Exchange Under Team and Traditional Management, *Group & Organization Studies,* 20(1), pp.18-38.

Shamsuzzoha, A. (2007). *Employee Turnover-a Study of its Causes and Effects*. Finland: University of Vaasa. Shin -Rong, S.H. and C. Chin-Wei, 2012.*Outside director experience, compensation and performance*. Manage. Finance, 38(10): 914-938

Sheehan, N.T. (2009). Making Risk Pay: The Board's Role. *Journal of Business Strategy*, 30(1): pp. 33-39.

Sherony, K.M. and Green, S.G. (2002) Coworker Exchange: Relationship Between Coworkers, Leader-Member Exchange, and Work Attitudes, *Journal of Applied Psychology*, 87(3), pp.542-8.

Shieh, G. (2010). On the misconception of multicollinearity in detection of moderating effects: Multicollinearity is not always detrimental. *Multivariate Behavioral Research*, *45*(3), 483-507.

Shields, J., Brown, M., Kaine, S., Dolle-Samuel, C., North-Samardzic, A., McLean, P., & Plimmer, G. (2015). *Managing employee performance & reward: Concepts, practices, strategies*. Cambridge University Press.

Shilongo, H. N. (2013). *The impact of performance related pay on employees-A case study of the performance incentive bonus scheme at the Motor Vehicle Accident Fund.*

Sibanda, M. (2012). ''Monitoring Customer-Focused Quality Service Delivery In Local Government: Conceptual Issues And Perspective For Consideration.'' *African public service delivery and performance review vol 1* .

Sihanya, B. (2011). *The Judiciary and Constitutionalism under the 2010 Constitution.* Sunday Standard, p. 18.

Simiyu, N. A. (2014). *Influence of Human Resource Functions on Employee Performance in the Devolved Health Sector in Kenya: A case of Mbagathi District Hospital.* Jomo Kenyatta University of Agriculture & Technology, Kenya. *Vol. 2, Iss. 2 (126), pp 2099 – 2136, Nov 24, 2015, www.strategicjournals.com, ©Strategic Journals*

Singh, J. and Sirdeshmukh, D. (2000) Agency and Trust Mechanisms in Consumer Satisfaction and Loyalty Judgments, *Journal of the Academy of Marketing Science,* 28(1), pp.150-67.

Sisson, K. (2010). Employment relations matters. Research Studies and Reports, ILR collection. http://digitalcommons.ilr.cornell.edu/reports (Accessed 2019/ 04/17).

Sloof, R. and Mirjam van Praag, C. (2007). Performance measurement, expectancy and agency theory: An experimental study. IZA, Discussion Paper No. 3064, September, Pp. 1-30.

Sloof, R., & van Praag, C. M. (2008). Performance measurement, expectancy and agency theory: An experimental study. *Journal of Economic Behavior & Organization*, *67*(3-4), 794-809.

Snell, Scott and Bohlander, George (2010): *Principles of Human Resource Management*, 15th Ed., China: China Translation & Printing Services Limited

Sobel, M. E. (1982). Asymptotic confidence intervals for indirect effects in structural equation models. *Sociological methodology*, *13*, 290-312.

Solomon, M.R., Suprenant, C., Czepiel, J.A. and Gutman, E.G. (1985) A Role Theory Perspective on Dyadic Interactions: The Service Encounter, *Journal of Marketing,* 49 (Winter), pp.99-111.

Solomon, O., Hashim, N.H., Mehdi, Z.B. and Ajagbe, M.A. (2012). Employee motivation and organizational performance in Multinational Companies: A study of Cadbury Nigeria Plc. *International Journal of Research in Management and Technology*, 2 (3): 303-311.

Somekh, B., & Lewin, C. (Eds.). (2005). *Research methods in the social sciences*. Sage.

Srimai, S. R. (2013). ''An Interdisciplinary Perspective On The Evolution Of Strategic Performance Management System.'' *knowledge management and innovations* .

Steaurt A., & Morgan, N. (2007. *Employee participation. Ownership of productivity*. A theoretical perspective framework in industrial relations. Volume 34. Number. 4. Pp 532-554.

Stevens, J. P. (2009). *Applied multivariate statistics for the social sciences* (5th ed.). New York, NY: Routledge.

Stratton, R. (2009). Critical chain project management theory and practice. *Journal of Project Management and Systems Engineering*, *21*(4), 149-173.

Stuart, W. C. (2011). ‘’Quality Standards for Health Care Establishment in South Africa.’’ south Africa: SAHR.

Susskind, A.M., Kacmar, K.M. and Borchgrevink, C.P. (2003) Customer Service Providers' Attitudes Relating to Customer Service and Customer Satisfaction in the Customer-Server Exchange, *Journal of Applied Psychology,* 88(1), 179-87.

Syed, J. (2014). Diversity management and missing voices. In A. Wilkinson, J. Donaghey, T. Dundon, & R. Freeman (Eds.), *The Handbook of research on employee voice: Participation and involvement in the workplace* (pp. 421–438). London: Elgar Press.

Tabachnick, B. G., & Fidell, L. S. (2013). Using multivariate statistics: International edition. *Pearson2012*.

Tabiu, A. and Nura, A.A. (2013). Assessing the effects of human resource management (HRM) practices on employee job performance: A study of Usman Danfodiyo University, Sokoto. *Journal of Business Studies Quarterly*, 5(2): 247-259.

Tashakkori, A., & Teddlie, C. (Eds.). (2010). *Sage handbook of mixed methods in social & behavioral research*. sage.

Terera, S.R. and Ngriande, H. (2014). The impact of rewards on job satisfaction and employee retention. *Mediterranean Journal of Social Sciences*, 5(1): 481-487.

Tetteh, K. I., Fentim, D. B., & Dorothy, A. A. (2015). The relationship between employees’ incentives and performance at Ghana oil company limited in the southern zone of Ghana. *Advances in Social Sciences Research Journal*, *2*(2), 229-238.

Tremblay, M. and Chênevert, D. (2008). Influence of compensation strategies in Canadian technology-intensive firms on organisational and human resources performance. *Group and Organisation Management*, 33(3): 269-302.

Tsai, K.-H., Yu, K.-D., & Shih-Yi, F. (2005). Do Employee Benefits really offer no advantage on firm productivity? *Journal of the Eastern Asia Society for Transportation Studies.*

Tumwine, Y., Kutyabami, P., Odor, A. R. and Kalyango, J. N. (2010). Availability and expiry of essential medicines and supplies during the “Pull” and “Push” Drug acquisition systems in rural Ugandan Hospital. *Tropical Journal Pharmaceutical Research*, 9(6), 557-564

Umar, A. (2012), Effect of wages, motivation, and job satisfaction on the performance of workers in the manufacturing industry in the city of Makassar. *Journal Aplikasi Manajemen*, 10(2), 406-418

Uzman, J. & Daish, J. (2010). Empirical study on Impact of Reward and Recognition on Job Satisfaction and Motivation. *Karachi Based Service Organization. International Journal of Management Science*, 2(1), 33-47

Van Dyne, L., Graham, J.W., & Dienesch, R.M. (1994). Organizational citizenship behavior: Construct re- definition, operationalization, and validation. *Academy of Management Journal,* 37, 765-802.

Vatcheva, K. P., Lee, M., McCormick, J. B., & Rahbar, M. H. (2016). Multicollinearity in regression analyses conducted in epidemiologic studies. *Epidemiology (Sunnyvale, Calif.), 6*(2).

Vlieland, T. V. (2009). ''General Hospitals' Strategic Responses to Performance Indicators An Exploratory Study.'' *MBA Health Thesis. Erasmus University, Rotterdam, The Netherlands: Erasmus Centre for Management Development in Healthcare, Institute of Health Policy and Management*.

Vroom, V. H. (1994). *Work and motivation.* San Francisco: Jessey-Bass.

Waiganjo, E.W., Mukulu, E., & Kahiri, J. (2012). Relationship between Strategic Human Resource Management and Firm Performance. *International Journal of Humanities and Social Sciences, Voume.2, Number. 10.*

Walela, K. B., & Okwemba, E. M. (2015). Effect Of Leadership Behavior On The Performance Of Micro-Financial Institutions In Kakamega County. *Ekuitas: International Journal of Scientific & Technology Research, 4*(02), 239–252.

Walker, C.O., Greene, B.A. and Mansell, R.A. (2006). Identification with academics, intrinsic/extrinsic motivation, and self-efficacy as predictors of cognitive engagement. *Learning and Individual Differences*, 16(1): 1-12.

Wan, H. L., Sulaiman, M., & Omar, A. (2012). Procedural justice in promotion decisions of managerial staff in Malaysia. *Asia Pacific business review*, *18*(1), 99-121.

Wanjau K., &, Wanarigi B, (2012). ''Factors Affecting Provision Of Service Quality In Public Health Care: A Case Of Kenyatta National Hospital.'' *international journal of humanities and social sciences.*

Wanjau, K. N., Muiruri, B. W., & Ayodo, E. (2012). *Factors affecting provision of service quality in the public health sector:* A case of Kenyatta national hospital. Karatina University

Wayne, S.J., Shore, L.M. and Liden, R.C. (1997) Perceived Organizational Support and Leader-Member Exchange: A Social Exchange Perspective, *Academy of Management Journal,* 40(1), pp.82-111.

Welsh, N. A. (2012). Mandatory Predispute Consumer Arbitration, Structural Bias, and Incentivizing Procedural Safeguards. *Sw. L. REv.*, *42*, 187.

WHO (2010). *World Health Organization Report. A Global Survey Monitoring Progress in Nursing and Mid-Wifery*. Geneva: WHO.

Wilson, C. (2008, July 26). More Companies Recognize the Impact of Learning Centres. St. Louis Post- Dispatch, C8

Wolf, F. (1999). Performance management in the U.K. *Journal of Management*, 1(11).

Wood, S. (2008). Job characteristics, employee voice and well-being in Britain. *Industrial Relations Journal, 39*(2), 153-168.

World Bank, (2012). Devolution without Disruption, Pathways to a successful New Kenya, WB pp 3 -5.

Xavier, B. (2014). Shaping the future research agenda for compensation and benefits management: Some thoughts based on a stakeholder inquiry. *Human resource management review*, *24*(1), 31-40.

Yamane, T. (1967). *Problems to accompany" Statistics, an introductory analysis"*. Harper & Row.

Yang, R.C. (2006). *The research of relation among personality, job attitude and job performance: a case study of Chunghwa telecom mobile business group Taichung branch office*. Unpublished master's thesis, Chaoyang University.

Zainuddin, Junaidah and Nazmi, (2010). *Research Methodology for Business & Social Science*. University Publication Centre (UPENA): UiTM.

Zeithaml, V. A., & Mary, J. Bitner. (2000). *Services Marketing: Integrating Customer Focus across the Firm*.

Zeithaml, V.A. and Bitner, M.J. (2003) *Services Marketing: Integrating Customer Focus across the Firm*, 3rd edition, Boston: McGraw-Hill Companies.

Zeng, Z., & Honig, B. (2017). A study of living wage effects on employees' performance-related attitudes and behaviour: Living Wage Effects on Work Performance Indicators. *Canadian Journal of Administrative Sciences / Revue Canadienne Des Sciences de administration*, *34*(1), 19–32.

Zhang, H. H., Liu, Y., Wu, Y., & Zhu, J. (2008). Variable selection for the multicategory SVM via adaptive sup-norm regularization. *Electronic Journal of Statistics*, *2*, 149-167.

Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business research methods* (8th ed.). Mason, HO: Cengage Learning.

APPENDICES

Appendix I: Letter of Introduction

Dear respondent,

My name is Lily Kitur, a Doctor of Philosophy student at Moi University. I am undertaking a study entitled, '**COMPENSATION MANAGEMENT, EMPLOYEE VOICE AND QUALITY SERVICE DELIVERY IN HEALTH FACILITIES IN THE NORTH RIFT REGION'.** You have been identified as one of the respondents for this study. Kindly assist me in filling this questionnaire. Your responses were treated with utmost confidentiality and was used for purposes of this study only.

Thank you.

Appendix II: Questionnaire

Instructions

Please tick (√) or fill in the blanks as appropriate and respond to all items.

Section A: Background Information

1. Gender; Male [ ] Female [ ]

2. Age; 21 –30 [ ] 31-40 [ ] 41-50 [ ] 51 and above [ ]

3. Level of Education; KCSE [ ] College [ ] University [ ]

4. Professional qualifications; Certificate [ ] Diploma [ ] Higher Diploma [ ] Degree[ ]

5. Job Designation: Doctor [ ] Clinical officer [ ] Nurse [ ] Pharmacist [ ]

6. How long have you worked with the health facility?

0-5[ ] 5-10[ ] 10-15 [ ] 15-20 [ ] Over 20 years [ ]

7. Are you a member of a union? Yes [ ] No [ ]

8. What is your position in the union? Union official[ ] Union member[ ] None [ ]

Section B: Service delivery

1. The following statements about service delivery in your health facility. Kindly indicate your level of agreement or disagreement with each of the statements using the following scale: where **1** = Strongly Disagree **(SD); 2** = Disagree **(D); 3** = Neutral **(N); 4** = Agree **(A);** and **5** = Strongly Agree **(SA),**

2.

No.	**Statements**	**SD**	**D**	**N**	**A**	**SA**
a)	I understand and meet the specified hospital plans and goals.					
b)	I like and enjoy the type of work l do.					
c)	I am satisfied with how the hospital handles staff complaints.					
d)	Am compensated well when I do good work					
e)	I would not recommend employment at this hospital to my friend					
f)	My hospital has up to date equipment and all the physical facilities such as bathrooms and toilets are always clean.					
g)	I do keep patients' records accurately					
h)	I answer and explain all the hospital procedures and treatment to the patients					
i)	I pay personal attention to all patients equally irrespective of their status					
j)	All patients are assured of good services					

Kindly provide honest responses to the statements in the three parts. All responses are correct and are rated on a five likert scale as follows; **1** = Strongly Disagree **(SD); 2** = Disagree **(D); 3** = Neutral **(N); 4** = Agree **(A);** and **5** = Strongly Agree **(SA)**

No.	**Statements**	**SD**	**D**	**N**	**A**	**SA**
a)	I understand the hospital quality service delivery chatter.					
b)	I always provide services as promised and on time					
c)	I am dependable in handling patients service problems					
d)	I keep patients informed about when services was performed					
e)	I am able to inspire trust and confidence among patients					
f)	I inform patient of the procedures to be undertaken before treatment.					
g)	I have the knowledge to answer patient questions					
h)	The equipment and other physical facilities are modern and appealing to patients					
i)	My health care facility has enough space appearance for the patients					
j)	Am comfortable in using the available equipment in the hospital.					
k)	I always give patients individual attention					
l)	I have the patient's best interest at heart					
m)	I always understand the needs of the patients					
n)	I deal with patients in a caring fashion					
o)	I help patients and provide prompt services					
p)	I am ready to respond to patients' requests any time.					
q)	I provide patients a good expression and a pleasant experience					

Section C: Direct compensation

3. The following statements about direct compensation in your health facility. Kindly indicate your level of agreement or disagreement with each of the statements using the following scale: where **1** = Strongly Disagree **(SD); 2** = Disagree **(D); 3** = Neutral **(N); 4** = Agree **(A);** and **5** = Strongly Agree **(SA)**

No.	**Statements**	**SD**	**D**	**N**	**A**	**SA**
a)	My salary is reviewed periodically					
b)	My salary motivates me to do my work well					
c)	My pay is well balanced compared to the work I do					
d)	An increase in my basic pay will motivate me to improve on my service delivery.					

e)	There exists a system in the county of compensating employees if they achieve their targets					
f)	I am entitled to incentives when hospital achieves its target					
g)	There exist a team that deals with employee rewards.					
h)	I receive consummate salary					
i)	I always get overtime and uniform allowances					
j)	My employers provide a bonus and commission-based programs					

Section D: Indirect Compensation

4. The following statements about indirect compensation in your health facility. Kindly indicate your level of agreement or disagreement with each of the statements using the following scale: where **1** = Strongly Disagree **(SD); 2** = Disagree **(D**); **3** = Neutral (**N); 4** = Agree **(A);** and **5** = Strongly Agree **(SA)**

No.	**Statements**	**SD**	**D**	**N**	**A**	**SA**
a)	The hospital has partnered with health insurance companies for staff insurance policies					
b)	The hospital has an all-round Work-Life-Balance system					
c)	The hospital has a pension scheme facility for its staff					
d)	I and my family are entitled to a reliable medical cover					
e)	There is availability of employees retirement programs					
f)	My employer remits my social security funds					
g)	My employer provides payments for time not worked (vacations, sabbatical, holidays)					
h)	My employer provides workers compensation, (those injured on the job)					
i)	My employer provides foreign service premiums					
j)	My employer provides tuition reimbursement					

Section E: Non-financial Compensation

5. The following statements about non-financial Compensation in your health facility. Kindly indicate your level of agreement or disagreement with each of the statements using the following scale: where **1** = Strongly Disagree (**SD); 2** = Disagree **(D); 3** = Neutral **(N)**; **4** = Agree **(A);** and **5** = Strongly Agree **(SA)**

No.	**Statements**	**SD**	**D**	**N**	**A**	**SA**
a)	My employer offers job rotation,					
b)	My employer trains its employees periodically,					
c)	We have flexible work schedule					
d)	We always conduct job sharing					
e)	I work in a very good working environment.					
f)	Our employer offer employee recognition					
g)	Working environment determine my service delivery.					
h)	The career development opportunities offered by management affect my morale					
i)	Our employer promotes employees depending on good services					
j)	Our health policy does allow switching from a department even after promotion.					

Section F: Employee Voice

6. The following statements about employee voice in your health facility. Kindly indicate your level of agreement or disagreement with each of the statements using the following scale: where **1** = Strongly Disagree (**SD**); **2** = Disagree **(D); 3** = Neutral **(N); 4** = Agree (**A);** and **5** = Strongly Agree **(SA)**

	Statements	**SD**	**D**	**N**	**A**	**SA**
a)	Health staff are satisfied with the union roles					
b)	Employees directly influence key decisions on compensations.					
c)	Workers' suggestions are solicited,					
d)	Upward communication channels provide avenues which employees voice their views to management.					
e)	Health workers always go on strike in order to be compensated well.					
f)	Unions secure improved terms and better working conditions for their members.					
g)	Our unions provide protection, support and advice to their members.					
h)	Union providing legal and financial services to members whenever appropriate.					
i)	The dissatisfaction raised through grievance procedure are met.					

Appendix III: Interview Schedule for Medical Officers of Health

1. How is service delivery in your hospital?

2. How is compensation management in your hospital?

3. What are the types of direct compensation do your hospital offer to the employees?

4. What are the types of indirect compensation do your hospital offer to the employees?

5. How does compensation management impact service delivery in your hospital?

6. Does job design in terms of job rotation, flexible work schedule and job sharing part of the non-financial compensation?

7. Do you agree that better working environment determines employee service delivery?

8. What extent do career development opportunities offered by management affect employee morale and productivity?

9. Does employee recognition ensure employee service delivery?

10. How does non-financial compensation affect employee service delivery?

11. Do employees have a voice on issues of compensation management? If so do what extent

12. Suggest ways through which you enhance employee voice in your hospital.

Appendix IV: Run MATRIX procedure:

```
************** PROCESS Procedure for SPSS Release 2.13.2 *************

        Written by Andrew F. Hayes, Ph.D.       www.afhayes.com
    Documentation available in Hayes (2013). www.guilford.com/p/hayes3

**************************************************************************
Model = 4
    Y = Serv
    X = Comp
    M = Voice

Sample size
       201

**************************************************************************
Outcome: Voice
Model Summary
          R       R-sq        MSE          F        df1        df2          p
       .529       .280       .320     77.273      1.000    199.000       .000

Model
             coeff         se          t          p       LLCI       ULCI
constant     1.609       .186      8.664       .000      1.243      1.975
Comp          .555       .063      8.791       .000       .431       .680

Covariance matrix of regression parameter estimates
           constant       Comp
constant       .034       -.011
Comp          -.011        .004

**************************************************************************
Outcome: Serv
Model Summary
          R       R-sq        MSE          F        df1        df2          p
       .544       .296       .105     41.597      2.000    198.000       .000

Model
             coeff         se          t          p       LLCI       ULCI
constant     2.767       .125     22.198       .000      2.521      3.013
Voice         .078       .041      1.920       .056      -.002       .158
Comp          .279       .043      6.552       .000       .195       .363

Covariance matrix of regression parameter estimates
           constant      Voice       Comp
constant       .016       -.003       -.002
Voice         -.003        .002       -.001
Comp          -.002       -.001        .002

************************** TOTAL EFFECT MODEL ************************
Outcome: Serv
Model Summary
          R       R-sq        MSE          F        df1        df2          p
       .532       .283       .106     78.448      1.000    199.000       .000
Model
             coeff         se          t          p       LLCI       ULCI
constant     2.893       .107     27.047       .000      2.682      3.103
Comp          .322       .036      8.857       .000       .251       .394
```

Covariance matrix of regression parameter estimates

	constant	Comp
constant	.011	-.004
Comp	-.004	.001

********** TOTAL, DIRECT, AND INDIRECT EFFECTS **********

Total effect of X on Y

Effect	SE	t	p	LLCI	ULCI
.322	.036	8.857	.000	.251	.394

Direct effect of X on Y

Effect	SE	t	p	LLCI	ULCI
.279	.043	6.552	.000	.195	.363

Indirect effect of X on Y

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.043	.026	-.008	.094

Partially standardized indirect effect of X on Y

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.113	.067	-.020	.250

Completely standardized indirect effect of X on Y

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.071	.043	-.011	.160

Ratio of indirect to total effect of X on Y

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.134	.085	-.017	.325

Ratio of indirect to direct effect of X on Y

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.155	.119	-.017	.481

R-squared mediation effect size (R-sq_med)

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.130	.036	.069	.222

Preacher and Kelley (2011) Kappa-squared

	Effect	Boot SE	BootLLCI	BootULCI
Voice	.073	.039	.007	.160

Normal theory tests for indirect effect

Effect	se	Z	p
.043	.023	1.864	.062

********** ANALYSIS NOTES AND WARNINGS **********

Number of bootstrap samples for bias corrected bootstrap confidence intervals:
1000

Level of confidence for all confidence intervals in output:
95.00

------ END MATRIX -----

Appendix V: Research Permit

REPUBLIC OF KENYA

NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Ref No: **245103**

Date of Issue: **22/November/2019**

RESEARCH LICENSE

This is to Certify that Ms.. CHERONO KITUR of Moi University, has been licensed to conduct research in Baringo, Elgeyo-Marakwet, Kericho, Nakuru, Nandi, Transnzoia, Uasin-Gishu, Westpokot on the topic: COMPENSATION MANAGEMENT, EMPLOYEE VOICE AND QUALITY SERVICE DELIVERY IN PUBLIC HOSPITALS IN NORTH RIFT COUNTIES, KENYA for the period ending : 22/November/2020.

License No: **NACOSTI/P/19/2715**

245103

Applicant Identification Number

Director General
NATIONAL COMMISSION FOR SCIENCE,TECHNOLOGY & INNOVATION

Verification QR Code

NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

Appendix VI: Research Authorization

MOI UNIVERSITY
POSTGRADUATE OFFICE
SCHOOL OF BUSINESS AND ECONOMICS

Tel: 0790940508
0771336914
0736138770
Fax No: (053) 43047
Telex No. MOIVARSITY 35047

P.O. Box 3900
Eldoret.
Kenya.

RE: SHRD/PH.DH/01/15 **DATE:** 7th October, 2019

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

RE: CHERONO LILY KITUR

The above named is a bonafide student of Moi University School of Business and Economics, undertaking a Doctor of Philosophy in Human Resource Management degree. She has completed coursework, defended her proposal, and now she is proceeding to the field to collect data for her research titled: ***"Compensation Management, Employee Voice and Quality Service Delivery in Public Hospitals in North Rift Counties, Kenya."***

Any assistance accorded to her will be highly appreciated.

Yours faithfully,

DEAN
School Of Business and Economics
MOI UNIVERSITY

DR. RONALD BONUKE
ASSOCIATE DEAN, SCHOOL OF BUSINESS AND ECONOMICS