



Effect of Reward on Nurse Job Performance in Kenyan National Referral Hospitals

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Abstract

Employee job performance plays a critical role in firm's competitiveness, sustainability and continuous improvement and thus continues to fuel a great deal of research. A significant number of studies propose that reward predict employee job performance. Effective reward enables firms to attract, engage and retain key staff to achieve strategic and financial goals. The purpose of this study was to determine the effect of employee reward on nurse's job performance in Kenyan national referral hospitals. The study employed cross sectional survey research design. The study found out that extrinsic and intrinsic reward is positively and significantly related to employee job performance, however extrinsic reward (77.3%) influenced job performance to a great extent as compared to intrinsic reward (64.9%). The study concludes that employees reward significantly enhances employees' performance. Rewards are very essential in the organization to support confidence and to establish humanity between rewards are given to motivate employees in safeguarding complete obligation to their work in the economizing stage so that employees well perform own jobs. The management of referral

hospitals should set reward systems and programs that link the type of rewards given to encourage performance based results. Thus the higher the rewards perceived by employees, the greater the motivation to work smart for better service delivery. In shaping people results and performance, therefore, rewards should reinforce individual motivation.

Key Words: *Employee Reward, Job Performance, Kenyan National Referral Hospitals.*

1.1 Introduction

Employee job performance plays a critical role in firm's competitiveness, sustainability and continuous improvement and thus continues to fuel a great deal of research (Koopman *et al.*, 2014). Job performance is a function employee reward. Human resource managers today aim at optimizing employee output while cutting down on labour cost which has contributed to increased workload, perception of inadequate employee reward and poor service delivery.

A significant number of studies propose that reward predict employee job performance. Maslach and Leiter (2007) observed that effective reward enables firms to attract, engage and retain key staff to achieve strategic and financial goals. A mismatch between reward and job demands leads to burnout and employee exhaustion. Further Jefree *et al.* (2015) observed that heavy workload and inadequate reward hinders human capital development leading to negative work outputs.

Reward comprises financial and non-financial consideration given to employees for the attainment of firms' goals. Reward compensates workers for their services, value and commitment to organizational goals (Chen *et al.*, 2015). Reward includes pay, employee benefits and welfare programs (Anitha, 2014). However people work for more than monetary benefits and total reward approach incorporate intrinsic factors of provision of feedback, training and development, praise, recognition, status, listening to and acting upon the staff suggestions, promotion, enriching jobs and work-life balance to be part of total reward mix (Sejen, 2011).

Reward therefore encompass everything that employees value in working for a particular employer and aims to attract, engage and retain key staff for competitive edge (Al-Jarradi, 2011). The measurement of employee reward was based on the elements of pay, promotion, job security, autonomy, respect from colleagues, challenging work assignments, praise; token of appreciation, recognition and training and development opportunities as used by Saks, (2006) in his study with some slight improvements.

The Kenyan public health care services are provided in six hospital levels namely; community based health care at level one, level two are dispensaries, level three are health centers, level four are district referral hospitals, level five are provincial referral hospitals and level six are national referral hospitals. Level six are under the national government and there are four such facilities namely: KNH, MTRH, Mathare Mental Hospital and Spinal Injury (Ministry of Health Report, 2014-2018). National referral hospitals are high volume; receive difficult cases from all over the country that need specialized equipment and competent manpower thus they often operate beyond maximum capacity hence overstretching both physical and human resources.

1.2 Research Problem

Scholars largely agree that employee reward affects job performance. Ladner (2015) posits that effective reward ensures employees are attracted, motivated, effectively engaged and retained for attainment of firm's goals. The Kenya health sector has experience myriad of challenges. From the nurse's perspective reports indicate severe shortage of nurses, increase workload, rising out- migration, inadequate facilities and persistent industrial action undermining nurses ability to provide dignified and competent healthcare (Obaigwa, 2015). The social-economic vulnerability of patients in the public health facilities has made instances of poor service delivery remain unreported and thus patients continue to suffer in silence.

A study by Maru *et al.* (2013) on selected job characteristics and nurse performance indicate that, 87% of nurses work long hours, 89.7% have high intention to quit and 82% are not satisfied with their job delivery. The effect of high workload and predictive role of reward on job performance were not investigated. Maru *et al.* (2013) study also measured job satisfaction and not job performance as proposed by this study. Takase *et al.* (2015) affirm that job performance and exhaustion are related to the quantity of organizational reward. However different views are given by Massingham *et al.* (2015) who studied human capital; value creation and employee reward and found that attractive reward is not related to excellent job performance and employee engagement.

Nyangena *et al.* (2011) study established that variation exist in the quality of nurses training which could be injurious to nurse practice but did not establish effect of nurse competence on job performance which is the focus of this study. Analysis of empirical studies show that, most hospitals have inadequate reporting systems and with role interdependency, it's difficult to identify gaps in job performance so as to undertake preventive interventions. Therefore there is need to investigate job performance of each category of health profession and this proposed study aims at addressing this suggestion by focusing on the nurse job performance (Obaigwa, 2015). A large number of nurses between 21- 40 years with more than two years experience apply to out migrate every year in search of better terms and condition of work (Wakaba *et al.*, 2014). Hospitals therefore are losing highly competent nurses who are replaced mostly by new graduates, thus it's important to establish the role of reward on service delivery of the existing nurses.

1.3. Research Objective

The objective of this study is to determine the influence of employee reward on nurses' job performance in Kenyan national referral hospitals.

1.4 Research Hypothesis

The study hypothesized that employee reward influences employee job performance.

2.0 Literature Review

2.1 Theoretical Literature

2.1.1 Social Exchange Theory

The Social Exchange Theory (SET) was formulated by great American behavioural scientist (Thibaut & Kelley, 1959). The theory assumes that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence that has evolve into trusting, loyal and mutual commitments govern by rules of exchange, such that the actions of one party lead to a response by the other (Saks, 2006). Kahn's (1990) contends that employees bring themselves more deeply into their role performances as repayment for the resources they receive from the organization; when the firm fails to provide these resources, workers are likely to withdraw and disengage from their roles.

Workers exchange efforts for resources, those who receive greater resources are obliged to repay the company with greater levels of engagement; the amount of cognitive, emotional and physical resources that an individual devote to their jobs is contingent on the economic and socio-emotional resources received from the organization (Robinson *et al.*, 2004). SET theory is applicable in this study in the sense that if nurses are satisfied with reward they become more engaged and offer value to the hospital. However the theory fails to explain why some individuals though well rewarded, do not work extra hard. Reward without quality leadership, optimum workload, employee health and safety and competence cannot yield excellent output.

2.1.2 Expectancy Theory

The expectancy theory is associated with Victor Vroom (1964). The theory explains why individuals choose one behavioral option over others and claims that work motivation is dependent upon the perceived association between performance and outcomes. Individuals modify behavior based on calculation of anticipated outcomes; effort comes from a person believing he will get what he want in the form of rewards; and that favorable performance will result in a desirable reward and reward will satisfy an important need which make the effort worthwhile (Chen & Fang, 2008).

A study by Redmond (2010) expounds expectancy theory as a function of expectancy, instrumentality and valence components. He asserts that a person is motivated to the degree that he or she believes that: effort will lead to acceptable performance (expectancy); performance will be rewarded (instrumentality); and the value of the reward is highly positive (valence). Instrumentality assumes that if an individual performs well, then value will come to that individual and Valence means "value" or desirability of expected outcome. Therefore this theory is relevant to the study in the sense that if nurses expect a better reward then they will increase effort to yield better job performance in terms of quality service delivery (Luneneburg, 2011). However

expectancy theory has failed to justify why some of the highly paid individuals are not the best performers in many companies today.

2.2 Empirical Literature

A number of previous studies have indicated that employee reward predict job performance. Anitha (2014) study on the determinants of employee engagement and their impact job performance asserts that workers engage to the extent that they perceive greater reward for their roles and inadequate reward leads to burnout and poor performance. In studying the link between the reward systems for a TQM based strategy Richard and Kilmann (2001) posits that fair reward promote engagement; improve quality of work and mental health of employees whereas poor reward hinders quality services delivery. Fair reward is related to employee exceptional performance and business growth (Takase *et al.*, 2015).

The results of Massingham *et al.* (2015) study on HC, value creation and reward states that pay be aligned with employee performance and workers to be given challenging, exciting and interesting jobs to enhance involvement, satisfaction, commitment and loyalty. The assumption therefore is that, the higher the employee reward, the better the performance as supported by the social exchange theory. However, in some situations there are workers who earn less but are happy, committed, loyal, motivated and more productive creating inequity in the distributive justice.

2.3. The Conceptual Framework

The conceptual model presented in figure 1 depicts the relationship between employee reward and job performance as the dependent variable. The model proposes that employee reward has a direct influence on job performance.

Figure 1: Conceptual Model

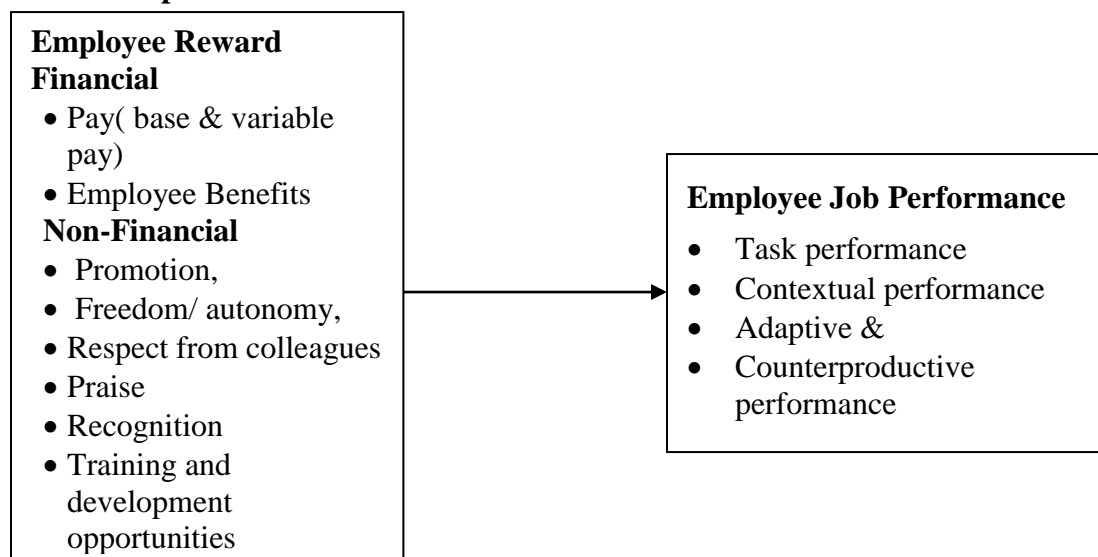


Figure 1: Conceptual Framework

3.0 Research Methodology

This study was guided by the positivist approach since it's anchored on theory and, further because it intends to test hypotheses. Positivism philosophy is objective, deductive with an aim of falsifying the research hypothesis and theory testing; it assumes that the researcher is independent from what is being studied and that those observable and measureable phenomena can validly be regarded as knowledge; positivism is concerned with truths, objective reality, impartiality, conformity, consistency, dependability and production of credible data. This study adopted a descriptive cross-sectional survey research design. The study was carried out in all the four National Referral Hospital in Kenya namely Kenyatta National Hospital, Moi Teaching and referral Hospital Mathare Teaching and Referral Hospitals and National Spinal Injury. The target population for this study was 2,757 nurses in all the four national hospitals obtained through data query by the Human Resource department at the Ministry of Health and preliminary visit to HR departments of respective hospitals for data verification. A sample of 296 respondents was selected using Cochran formula (1963). Primary data was collected through semi structure questionnaires that were administered to the nurses. During data analysis, the study utilized both descriptive and inferential statistics. Descriptive statistics provided percentages, mean, standard deviation and coefficient of variation of the demographic characteristics and inferential statistics illustrated the regression analysis.

4.0 Data Analysis, Results and Interpretations

4.1 Response Rate

This study adopted a descriptive cross-sectional survey research design. The study targeted 296 nurses. Results are presented in Table 1.

Table 1: Response Rate

Response Rate	Frequency	Percentage
Returned	246	83.11%
Not Returned	50	16.89%
Total	296	100%

Source: Survey Data 2018

From Table 1 above, two hundred and ninety six (296) questionnaires were distributed, out of which 246 were filled and returned, representing 83.11 percent response rate. Saunders, Lewis and Thornhill (2016) opine that a response rate of 80 percent is adequate and indicated effecting data collection methodology. The questionnaire was also accompanied by a covering letter issued by the University of Nairobi. Dillman, Smyth and Christian (2014) state that the covering letter issued by an established authority authenticates the study improving the response rate. Therefore, the response rate of this study was satisfactory.

4.2 Descriptive Statistics

This section contains descriptive analysis for employee reward and job performance. The first section presents the confirmatory of structure variables. The subsequent sections presented results form of mean and standard deviations.

4.2.1 Confirmation of Structure of Variables

Confirmatory factor extraction was carried out to confirm the structures for employee reward. For employee reward, the confirmatory factor analysis resulted in two extrinsic/financial reward and intrinsic/non-financial reward.

Table 2: Variable and Factor Statistics

Variable	Dimension/structure/factor	No. of Items	Scale MeanScores
Employee reward	Overall Employee reward	12	2.64
	extrinsic financial reward	4	2.36
	intrinsic/ non-financial reward	8	2.77

Source: Survey Data 2018

4.2.2 Measures of Employee Reward

The sub-constructs that were used to measure employee reward were extrinsic reward and intrinsic reward. Twelve (12) items were used to measure employee reward. Respondents were asked to respond to pertinent statements posed by indicating the extent to which employee reward influenced job performance of nurses in Kenyan National Referral Hospitals. Responses were given on a five-point Likert scale ranging where 1: Very low extent, 2: low extent, 3: Moderate extent, 4: Large extent, 5: Very large extent. The scores for 'very low extent' and 'low extent' was lumped together, the scores for moderate extent were explained individually while the scores for 'large extent' and 'very large extent' are summed together. The mean score for low extent was equivalent to a mean score of 0 to 2.4. The score for 'moderate extent' is equivalent to a mean score of 2.5 to 3.4. The score of 'large extent' and 'very large extent' have been taken to represent a statement affirmed to as equivalent to a mean score of 3.5 to 5.0. The extrinsic financial reward subscale consisted of 4 items and the intrinsic subscale consisted of 12 items. Respondent's views about these sub-constructs were sought and the ratings are presented in Table 3.

As presented in Table 3 above, under extrinsic subscale the analysis indicated that to a large extent a good pay influenced job performance (mean = 3.65, standard deviation = 0.99); annual pay increases influenced job performance to a large extent (mean = 4.15, standard deviation = 1.16), job allowance influenced job performance to a large extent (mean = 3.58, standard deviation = 1.14) while additional pay for good work influenced job performance to a large extent (mean = 4.07, standard deviation = 1.24).

Under the intrinsic reward subscale of employee reward, the scores showed that to a large extent employment on permanent and pensionable terms influenced job performance (mean = 4.37, standard deviation = 1.38); increase in pay associated with promotional opportunities based on merit influenced job performance (mean = 3.54, standard deviation = 1.19); more freedom and autonomy in performing ones work (mean = 3.87, standard deviation = 1.13); praise for good work (mean = 3.54, standard deviation = 1.11); availability of training and development opportunities (mean = 3.75, standard deviation = 1.21). Further, job that is interesting and has challenging work assignments influenced job performance to a large extent (mean = 3.94, standard deviation = 1.17), some form of public recognition was found to influence job performance (mean = 4.39, standard deviation = 1.32).

Table 3: Mean and Standard Deviation for Measures of Employee Reward

Statement	Mean	Std Dev	CV (%)
Extrinsic Financial Reward			
A good pay	3.65	0.99	27
Annual pay increases	4.15	1.16	28
Allowances (risk, transport etc)	3.58	1.14	32
Additional pay for good work	4.07	1.24	30
Overall mean	3.86	1.13	29
Intrinsic/ Non-Financial Reward			
Employment on permanent and pensionable terms	4.37	1.38	32
Increase in pay associated with promotional opportunities based on merit	3.54	1.19	34
More freedom and autonomy in performing ones work.	3.87	1.13	29
Praise for good work.	3.54	1.11	31
Availability of training and development opportunities.	3.75	1.21	32
Job that is interesting and challenging work assignments.	3.94	1.17	29
Some form of public recognition (e.g. employee of the month).	4.39	1.32	30
Respect and appreciation by the employer.	3.78	1.29	34
Overall mean	4.02	1.23	31
Grand mean	3.95	1.19	30

Source: Survey Data 2018

The respondents also indicated that respect and appreciation by the employer influenced job performance to a large extent (mean = 3.78, standard deviation = 1.29). Employee's rewards policy in any organization controls the behavior and pattern of work hence a major driving force towards organizational development. This is because employee rewards dictates the level of motivation essential for the attainment of individual and organizational goals. Rewards are considered an important tool to check the employee's performance in every organization. Management use rewards for employees motivations.

The indicators of employee reward and job performance had an overall mean score of 3.95 and an overall coefficient of variation (Cv) = 30%. For purposes of this study, the coefficients of variation ratings were determined as 0 to 25% very good, 26 to 50% good, 51 to 75% fair and 76 to 100% poor. From the CV results of 30% the variation is therefore low hence good.

4.3 Test of Hypotheses

This section presents the findings of tests of hypotheses of the study. The hypotheses describe the relationship between variables of the study as conceptualized and presented in the conceptual model. The hypotheses which were tested related to the influence of employee reward (independent variable) on job performance of nurses in Kenyan National Referral Hospitals (dependent variable).

4.3.1 Relationship between Employee Reward and Job Performance in Kenyan National Referral Hospitals

The objective of the study was to determine: the effect of reward on nurse job performance in Kenyan national referral hospitals. The following hypotheses were tested:

H_{1a}: Extrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals.

H_{1b}: Intrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals.

Each hypothesis was tested using simple linear regression analysis. Before testing the hypotheses, job performance dimensions (task performance, contextual performance, adaptive performance and counterproductive performance) were combined to generate a composite job performance. To test hypothesis **H_{1a}**, Job performance was regressed on extrinsic reward, to tests **H_{1b}**, Job performance was regressed on intrinsic reward. The results of the regression analysis are presented in Table 4.

Table 4: Regression Results for the Effect of Nurses' Reward and Job Performance

Model Summary							
Model		R	R Square		Adjusted R Square	Std. Error of the Estimate	
1	Extrinsic reward	.879	.773		.773	.35546	
2	Intrinsic reward	.805	.649		.647	.44262	
ANOVA							
Model			Sum of Squares	df	Mean Square	F	Sig.
1	Extrinsic reward	Regression	105.278	1	105.278	833.204	.000
		Residual	30.830	244	.126		
		Total	136.108	245			
2	Intrinsic reward	Regression	88.306	1	88.306	450.741	.000
		Residual	47.802	244	.196		
		Total	136.108	245			
Coefficients							
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
1	(Constant)	.431	.122		3.527	.001	
	Extrinsic reward	.956	.033	.879	28.865	.000	
2	(Constant)	.950	.142		6.708	.000	
	Intrinsic reward	.825	.039	.805	21.231	.000	
Model 1 Predictors (Constant) Extrinsic reward: Criterion variable Job performance							
Model 2 Predictors: (Constant) Intrinsic reward: Criterion variable Job performance							

Source: Survey Data 2018

The regression results presented in Table 4 show that the influence of extrinsic reward on job performance was significant ($R^2=.773$, $F=833.204$, $p<0.05$; $\beta=.956$), implying that 77.3 percent of variation in job performance is explained by extrinsic rewards. The beta coefficient of .956 suggests that a unit change in extrinsic reward is associated with .956 unit change in job performance. The F statistic of 833.204 and a p-value of $0.000<0.05$ shows that extrinsic reward and job performance is statistically significant. The hypothesis was tested using t-value. The acceptance/rejection criteria was that, if the p value is greater than 0.05, we fail to reject the H_{0a} but if it's less than 0.05, the H_{0a} is rejected. Results in Table 4 show that the p-value is 0.000. This was supported by a calculated t-statistic of 28.865 which is greater than the critical t-statistic of 1.96. The alternative hypothesis (H_{1a}) was that accepted that extrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals.

Further, intrinsic reward was regressed on job performance and the regression results presented in Table 4. The results show that the influence of intrinsic reward on job performance was significant ($R^2=.649$, $F=450.741$, $p<0.05$; $\beta=.825$), implying that 64.9 percent of variation in job performance is explained by intrinsic rewards. The beta coefficient of .825 suggests that a unit change in intrinsic reward is associated with .825 unit change in job performance. The F statistic of 450.741 and $p<0.05$ shows that intrinsic reward and job performance is statistically significant. The hypothesis was tested using t-statistic. The acceptance/rejection criteria was that, if the p value is greater than 0.05, we fail to reject the H_{01b} but if it is less than 0.05, the H_{01b} is rejected. Results in Table 4 show that the p-value is 0.000. This was supported by a calculated t-statistic of 21.231 which is greater than the critical t-statistic of 1.96. The alternative hypothesis (H_{1b}) was that accepted that intrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals. Therefore the results of the model imply that extrinsic reward (77.3%) considered is a stronger predictor of job performance of nurses in Kenyan National Referral Hospitals as compared to intrinsic reward (64.9%).

4.4 Discussion of the Research Findings

The objective of the study was to determine the effect of reward on nurse job performance in Kenyan national referral hospitals. The study found out that extrinsic reward is positively and significantly related to employee job performance. It was also found that intrinsic reward is positively and significantly related to employee job performance. However it was found that extrinsic reward influenced job performance to a great extent as compared to intrinsic reward (64.9%). Rewards are very essential in the organization to support confidence and to establish humanity between rewards are given to motivate employees in safeguarding complete obligation to their work in the economizing stage so that employees well perform own jobs. Reward compensates workers for their services, value and commitment to organizational goals (Chenet al; 2015). Reward includes pay, employee benefits and welfare programs (Anitha, 2014). However people work for more than monetary benefits and total reward approach incorporate intrinsic factors of provision of feedback, training and development, praise, recognition, status, listening to and acting upon the staff suggestions, promotion, enriching jobs and work-life balance to be part of total reward mix (Sejen, 2011).

The study hypothesised that extrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals (H_{1a}) and that intrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals (H_{1b}). The study found that the influence of extrinsic reward on job performance was significant and that extrinsic rewards explained 77.3 percent of variation in job performance. The alternative hypothesis (H_{1a}) was that accepted that extrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals. The results also found that the influence of intrinsic reward on job performance was significant and that intrinsic rewards explained 64.9 percent of variation in job. The alternative hypothesis (H_{1b}) was that accepted that intrinsic reward has a direct effect on employee job performance of nurses in Kenyan National Referral Hospitals. Employee reward was thus found to be a significant predictor of job

performance. The results are in agreement with Anitha (2014) study on the determinants of employee engagement and their impact job performance asserts that workers engage to the extent that they perceive greater reward for their roles and inadequate reward leads to burnout and poor performance. In studying the link between the reward systems for a TQM based strategy Richard and Kilmann (2001) posits that fair reward promote engagement; improve quality of work and mental health of employees whereas poor reward hinders quality services delivery. Fair reward is related to employee exceptional performance and business growth (Takase *et al.*, 2015). The results of Massingham *et al.* (2015) study on HC, value creation and reward states that pay be aligned with employee performance and workers to be given challenging, exciting and interesting jobs to enhance involvement, satisfaction, commitment and loyalty. The results are in agreement with expectancy theory by Vroom (1964) that favorable performance will result in a desirable reward and reward will satisfy an important need which makes the effort worthwhile.

5.0 Conclusions

Results showed that employee reward has a positive and statistically significant effect on job performance. The overall mean results for employee reward was 3.95 implying that the respondents were in agreement with statements concerning the influence of rewards on job performance of nurses. From the forgoing, it can be concluded that effective reward management through setting processes, policies and strategies promote job performance. Such practices are required to ensure that the contribution of employees to the organization is recognized and rewarded. The study concludes that employees reward significantly enhances employees' performance. This is because intrinsic rewards address employees at the core of their needs, and as a result, form sufficient base that influences and motivates the employees to higher standards of performance.

When the management of an organization take time to invest in rewards, employees feel valued by their organization and thus work extra hard to enhance their performance, so they can be rewarded even more. Rewards are very essential in the organization to support confidence and to establish humanity between rewards are given to motivate employees in safeguarding complete obligation to their work in the economizing stage so that employees well perform own jobs.

Employees are valuable assets of an organization and they constitute critical ingredient to the success of a firm. Highly rewarded employees, tend to motivate employees to work. Going by the focus of this study a positive significant relationships exist between employee reward and job performance; therefore, the issue of rewarding employees using all possible types of rewards matters a lot and should never be neglected by management of the organizations because deliberate ignorance of rewarding needs will lead to lower working morale and motivation which hinders effective job performance of nurses at in Kenyan national referral hospitals.

6.0 Theoretical Implications, Implications on Practice and Policy recommendation

This study makes a contribution by confirming that employee reward is positively related to job performance and further adds the finding that employee engagement mediates that relationship. It adds to provisions of the Social Exchange Theory which assumes that obligations are generated through a series of interactions between parties who are in a state of reciprocal interdependence that has evolve into trusting, loyal and mutual commitments govern by rules of exchange, such that the actions of one party lead to a response by the other (Saks, 2006).

The employees bring themselves more deeply into their role performances as repayment for the resources they receive from the organization; when the firm fails to provide these resources, workers are likely to withdraw and disengage from their roles. Workers exchange efforts for resources, those who receive greater resources are obliged to repay the company with greater levels of engagement; the amount of cognitive, emotional and physical resources that an individual devote to their jobs is contingent on the economic and socio-emotional resources received from the organization (Robinson et al; 2004). The results inform the Social Exchange Theory in that when nurses are satisfied with reward they become more engaged and offer value to the hospital.

The study revealed that employee reward has a significant influence on job performance. It's hoped that this study may have important practical implications for hospital management by embracing reward systems management to encourage employee hard work. The results emphasize the importance of aligning reward systems to motivate employees and at the same time reaching better levels of performance. The management of referral hospitals should set reward systems and programs that link the type of rewards given to encourage performance based results. Thus the higher the rewards perceived by employees, the greater the motivation to work smart for better service delivery. In shaping people results and performance, therefore, rewards should reinforce individual motivation.

This study established that employee reward has a positive relationship with job performance and it is therefore important that firms establish clear policy on how employee reward is conducted. The acceptance of the hypothesis indicated a significant relationship between rewards and employees' performance, which means that, rewards received by employees have significant impact on job performance. Rewards play an important role in influencing employees' behavior, motivation, and satisfaction and consequently affect their performance and productivity. The government through the Ministry of Health design reward system for those employees that show outstanding performance.

Since the relationship between rewards and employees job performance is considered to be strong, then that should alarm management to be more committed regarding the setting of appropriate incentive plans because that will encourage employees to be more purposeful and hence increase their performance. It is also recommended that there should be a consistency between the hospital management strategies and the reward package that is given to employees. In order to maintain consistency of interests and

goals; it is recommended that management should modify their reward program on a regular basis.

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