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Moderating Effect of Employee Competence on the Relationship between Employee Reward and Nurses' 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. Competences lead to flawless and accurate execution of tasks, quality awareness, analytical abilities and openness to change. Competences help employees act in an organized, objective, purposeful and responsible way and enhance creativity, sensitivity and good interpersonal qualities in the work context. The purpose of this study was to establish the moderating effect of employee competence on the relationship between employee reward and nurse job performance in Kenyan National Referral Hospitals. The study employed cross sectional survey research design. Descriptive statistics, correlation and regression techniques were used to analyze the data. The study found out that the

relationship between employee reward and job performance is moderated by employee competencies. The results provided sufficient statistically significant evidence to signify a moderating effect of job competence on the relationship between employee reward and employee job performance of nurses in Kenyan national referral hospitals. Employee competence, significantly improves the influence of employee reward on job performance from 74.2 percent to 82.0 percent. Employee reward and employee competence together explain 82.0 percent of the variance in job performance.The moderating effect of employee competence, significantly improves the influence of employee reward on job performance. It can be concluded that firms attach much value to employee competencies since these contribute directly to how well a firm will perform. The government through the Ministry of Health, high education and other non-governmental partners should initiate training programs for employees to sharpen their skills.

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

1.1 Introduction

Competence is the ability to utilize knowledge, skills and behaviours to achieve predefined goals; it's the effective and efficient execution of tasks (Peters & Zelewski, 2007). A study by Heinen (2011) found out that competence is being good in values, standards, cognitive ability and skills for successful job performance in a specialized work context. Competence is the ability to effectively demonstrate personal characteristics, knowledge, skills, professional attitudes and values to provide safe and effective output (Takase & Teraoka, 2015).

Competences lead to flawless and accurate execution of tasks, quality awareness, analytical abilities and openness to change (Meyer, 2013). Competences help employees act in an organized, objective, purposeful and responsible way and enhance creativity, sensitivity and good interpersonal qualities in the work context (Robotham, 1993). Nursing Competence Scale (NCS) of Meretoja *et al.* (2004a) which categorize competences into helping role; teaching and coaching; diagnostic function; managing situations; therapeutic intervention; ensuring quality and work roles was used to measure nurse competences. The NCS was developed through an extensive process and has been confirmed by international experts to be valid, reliable and sensitive; it has been used by researchers in many hospitals setting in different countries (Wangesteen, 2012).

Jefree *et al.* (2015) observed that heavy workload and inadequate reward hinders human capital development leading to negative work outputs. Thus Competences enable employees' master job requirements, perform tasks and effectively manage workload (Shah *et al.,* 2011).Competence enables employees deal with new and difficult tasks in a self-organized, objective, purposeful and responsible way leading to excellent job outcomes and firms success (Meyer, 2013).

The high cost of healthcare and persistent shortage of nurses has been increasing globally, the ageing population and people living with chronic conditions of hypertension, cancer, diabetes, HIV Aids has also been on the rise leading to need for long term health care and nursing homes Chen *et al.* (2015). To guarantee quality and safe patient centered treatment, health professionals including nurses must have broad and deeper competences, be optimally deployed and adequately rewarded.

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

Rowland *et al.* (2014) posit that good reward strategies without ensuring that employees have the required job competences do not lead to effective job performance. Therefore from these arguments, job demands and employee competence could be having a moderating influence on the relationship between employee reward and job performance. Most of these observations and conclusion have been made from the western experience. Thus it's significant to undertake relatively similar studies in the African perspective because of its peculiar nature, complex culture and value systems as well as to get a deeper understanding of job performance of an African worker.

The Kenya's 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. 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. Analyses 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 to address 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 and competence on service delivery of the existing nurses. The nurse to population ratio also stands at 103.4 per 100,000 persons against WHO recommendations of 250 to 100,000 persons (Kenya Nursing Workforce Report, 2012). The doctor patient ratio stands at 1 doctor for every 10,000 population when WHO recommends 23 doctors for 10,000 populations (Ministry of Health HR Strategy, 2014-2018) forcing nurses to do physicians work whereas health care assistances with varied training are doing nurse work to allow them focus more on professional issues. The extension of role boundaries and role blurring is likely to undermine nurse job performance in respect to competences and job demands. National referral hospitals are relatively big facilities that often operate beyond capacity and have critical patients that overstretched both human and physical resources. Such settings require nurses to have in-depth competences and appropriate workload and therefore this context is suitable for establishing the interaction of the proposed conceptual models of this study.

Studies further shows that employee competence is an insufficient condition for organizational effectiveness as people can be competent but firms output may not improve (Rowland, 2014). Massingham *et al.* (2015) maintain that employee capability is inversely related to work activity and value creation. These findings are inconsistent with earlier studies of Javed *et al.* (2012); and Gungor (2011); which indicate a positive relationship between competence and job performance. Peters and Zelewski, (2007) posit that competent workers facilitate firm's survival and should get attractive reward. Similarly, Hamel and Prahalad (1990) argue that sustaining high performance is achieved through competent workers. Thus studies are not conclusive on the relationship between and among employee reward, engagement, job demands, competence and job performance providing a fertile ground for further studies. Thus the study of the proposed conceptual model would greatly add understanding on factors affecting job performance.

In terms of methodology, gaps are evident in literature. While examining the development of competence in nursing practice Lima et al. (2016) applied longitudinal survey to examine only 47 graduate nurses in a single pediatric hospital, use of graduates and only one hospital may have biased the findings, thus the need to examine all categories of nurses, general hospitals and a relatively large nursing workforce to enhance validity and generalization of the findings.

Smith *et al.* (2016) study in Kenya indicates that nurses are incompetent in handling HIV care and treatment in small health facilities, big hospitals were left out yet they are facilities with large number of critical patients and employee competences could be of critical significance. While studying job performance of academic staff in Kenyan universities Muindi, (2014) tested task and contextual performance, the proposed study expanded performance indicators to include adaptive and counterproductive performance as proposed by Koopmans et al. (2014).

From the above discussion it's evident that previous empirical studies on employee job performance remain inconclusive in reference to the relationship between employee reward and competences.

1.3. Research Objective

The objective of this study is to determine the moderating effect of competence on the relationship between employee reward and nurse job performance in Kenyan national referral hospitals.

1.4 Research Hypothesis

The study hypothesized that employee competence has a moderating effect on the relationship between employee reward and employee job performance of nurses in Kenyan National Referral Hospitals.

2.0 Literature Review

2.1 Theoretical Literature

2.1.1. Human Capital Theory

Studies by Nafukho *et al.* (2004) revealed that the economist credited for the development of Human Capital (HC) include Shultz 1961, Edvinson and Malone, 1997; Lucas 1990. HC is knowledge, habits; social and personal attributes that enables one perform work of economic value (Mensah, 2015). HC is one's capability to accomplish goals and create wealth; it's the intangible economic view of a person's social, capital, biological, cultural and psychological factors that enhance creativity and productivity. HC consist of employee competences that can be rented out to employers to create value and achieve strategic advantage (Massinghametal, 2015).

HC is responsible for the competitiveness, vitality; sustainability and profitability of organizations; it's the dominant wealth creator that has led to emergence of global high tech organization; mergers and acquisition, business process reengineering, organizational transformation and innovation (Boninelli, 2004). The success in firm's strategies relies on advanced and technological employees who are satisfied, engagement, flexible and loyal (Mensah, 2015). The HC theory put emphasizes on nurses' competencies in being engaged in their task, managing high JD and producing quality service delivery. HC theory however has failed to explain why individuals exposed to same education, training and development perform differently; there is also need to realize that production is a joint process for HC alone however much is invested in it cannot yield excellent output for it has to be combined with other quality organizational resources (Boninelli, 2004).The theory has also been criticized to viewing employees only from economic perspective and not considering their social and political aspects

This study is anchored on the Social Exchange Theory (SET), which posits that parties in organizations approach each other with different socio-economic interest that creates balanced reciprocity, each party is a resource provider and a resource taker and their relationship can be characterized by love, hate, cold war or mutual contempt, but with the realization that they need each other and thus oblige to commit to their actions (Weber &

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Gobel, 2006). Employees give out their time, mental and physical effort in return for socio-economic benefits from the employer who in turn earn higher profits and value creations from employee effort (Robinson et al; 2004). Lack of support and recognition by employers hampers positive exchange and limits trust, affective commitment and responsibility to the organization goals (Weber & Gobel, 2006).

2.2 Empirical Literature

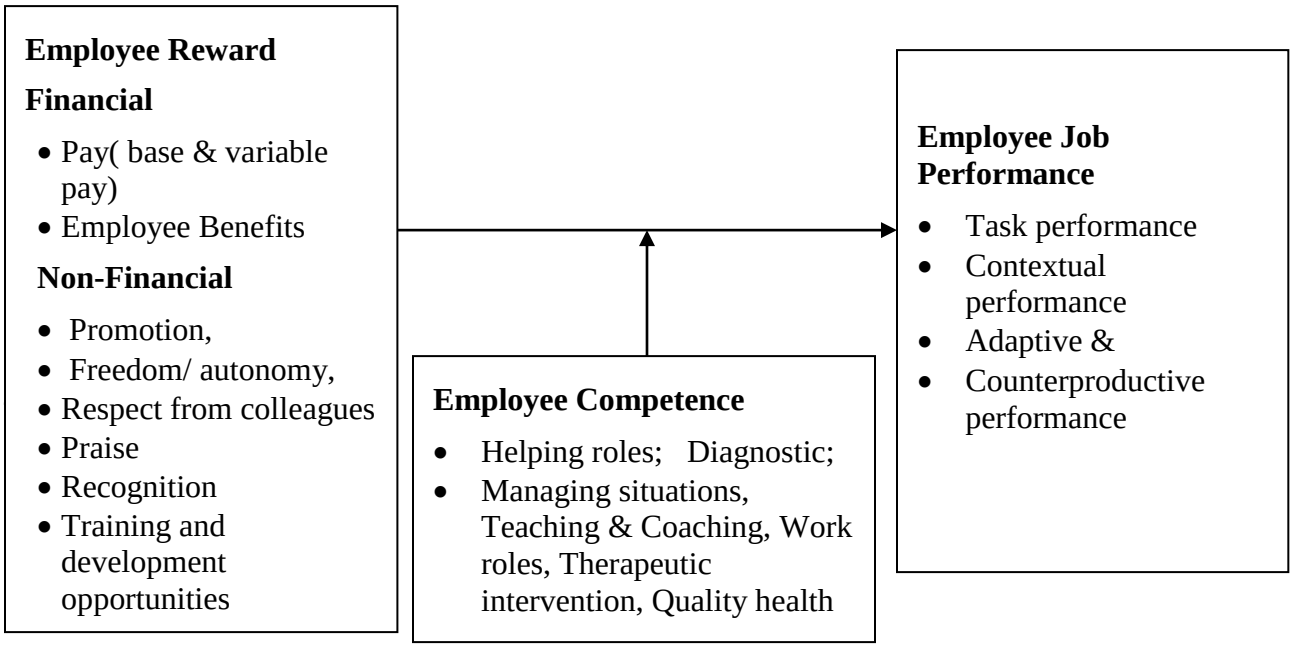
Reward is positively related to employee job performance (Saks, 2006) and this can only happen if the employees have the required competences for task performance. The study of nurse competence and turnover intentions suggested that lack of competence threatens both the quality and quantity of task performance (Takase *et al.* 2015).Competences enable employee's exhibit higher levels of in-role performance and develop technological solutions (Meyer, 2015)Work should be assigned according to worker competences for effective and efficient performance since it enable individuals respond efficiently and speedily to customer needs, require less supervision and facilitate creativity (Massingham *et al.,* 2015).

In establishing the link between QWL (Quality of Work Life**)**, personality, job satisfaction, competence and job performance (Muindi, 2014) found a positive correlation between competence and job performance of academic staff in Kenyan universities. However a study by Al-Almadi, (2008) indicates negative correlation between highly competent workers and performance. These arguments are in line with SET and HC theory who emphasize the employee economic benefits and their competences respectively in improving work outcomes.

2.9. The Conceptual Framework

The conceptual model presented in figure 1 depicts the moderating effect of competence on the relationship between employee reward and nurse job performance in Kenyan national referral hospitals. Figure 1 give detailed illustration of the elements of the variables in the conceptual model.

Figure 1: Conceptual Model



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 is 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 were 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 competence 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 the four variables of the study namely employee competence and job demands. For employee competence, the confirmatory factor analysis resulted in seven categories that labeled as Helping Role Competencies, Teaching and Coaching Competence, Diagnostic Competence, Managing Situations Competence, Therapeutic Interventions Competence, Ensuring Quality of Health Care Practice Competence and Work Roles Competence. Table 2 shows the variables and factor statistics.

Table 2: Variable and Factor Statistics

Variable	Dimension/structure/factor	No. of Items	Scale Mean Scores
Employee competence	**Overall employee competence**	**31**	**3.90**
	Helping Role Competencies	5	4.02
	Teaching and Coaching Competence	5	3.91
	Diagnostic Competence	5	3.97
	Managing Situations Competence	5	3.92
	Therapeutic Interventions Competence	5	3.81
	Ensuring Quality of Health Care Practice Competence	4	3.75
	Work Roles Competence	2	3.89

Source: Survey Data 2018

4.2.2 Measures of Employee Competence

The sub-constructs that were used to measure employee competence were helping role competencies, teaching and coaching competence, diagnostic competence, managing situations competence, therapeutic interventions competence, ensuring quality of health care practice competence and work roles competence. Thirty one (31) items were used to measure employee competence. Respondents were asked to respond to statements regarding the influence of employee competence on the relationship between employee reward and nurse job performance in Kenyan National Referral Hospitals. Responses were given on a five-point Likert scale ranging where 1: not competent, 2: slightly competent, 3: reasonable competent, 4: fully competent, 5: extremely competent. The scores for ‘not competent’ and ‘slightly competent’ are lumped together, the scores for reasonable competent is explained alone while the scores for ‘fully competent’ and

'extremely competent' are summed together. The mean score for 'not competent' and 'slightly competent' is equivalent to a mean score of 0 to 2.4. The mean score of 'fairly competent' is equivalent to a mean score of 2.5 to 3.4. The scores of 'fully competent' and 'extremely competent' have been taken to represent a statement affirmed to as equivalent to a mean score of 3.5 to 5.0. The helping role competencies subscale consisted of 5 items, teaching and coaching competence subscale had 5 items, diagnostic competence subscale consisted of 5 items, managing situations competence subscale had 5 items, therapeutic interventions competence subscale consisted of 5 items, ensuring quality of health care practice competence subscale had 4 items and work roles competence subscale had 2 items. Respondent's views about these sub-constructs were sought and the ratings are presented in Table 3.

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

Statement	Mean	StdDev	CV (%)
Helping Role Competencies			
Planning patient care according to individual needs	4.01	1.00	25
Supporting patient's coping strategies	3.89	0.92	24
Decision making guided by ethical values	4.14	0.92	22
Application of nursing philosophy	4.06	0.88	22
Developing the treatment culture of my unit	4.00	0.88	22
Overall mean	**4.02**	**0.92**	**23**
Teaching and Coaching Competence			
Taking active steps to maintain and improve my professional skills	3.98	0.97	24
Providing individualized patient education	4.05	0.92	23
Coaching others in duties within my responsibility area	3.95	0.95	24
Developing orientation programmes for new nurses in my unit	3.81	1.02	27
Evaluating patient education outcomes with family	3.74	0.99	26
Overall mean	**3.91**	**0.97**	**25**
Diagnostic Competence			
Analyzing patient's well-being from many perspectives	3.96	0.94	24
Able to identify patient's need for emotional support	4.06	0.96	24
Arranging expert help for patient when needed	3.98	0.95	24
Coaching other staff members in patient observation	4.02	0.94	23
Overall mean	**3.97**	**0.96**	**24**
Managing Situations Competence			
Planning care consistently with resources available	4.05	0.97	24
Prioritizing my activities flexibly according to changing situations	4.05	0.98	24
Promoting flexible team co-operation in rapidly changing situations	3.93	1.02	26
Arranging debriefing sessions for the care team when needed	3.75	1.07	28

Coaching other team members in mastering rapidly changing situations	3.82	1.05	28
Overall mean	**3.92**	**1.02**	**26**
Therapeutic Interventions Competence			
Making decisions concerning patient care taking the particular situation into account	3.93	1.03	26
Planning own activities flexibly according to clinical situation	3.93	1.01	26
Coordinating multidisciplinary team's nursing activities	3.71	1.07	29
Contributing to further development of multidisciplinary clinical paths	3.76	0.97	26
Recommending for updating of written guidelines for care	3.72	0.94	25
Overall mean	**3.81**	**1.00**	**26**
Ensuring Quality of Health Care Practice Competence			
Evaluating systematically patient's satisfaction with health care service provision	3.84	1.03	27
Applying new research findings in improving patient care	3.73	0.98	26
Able to identify areas in patient care needing further development and research	3.73	1.08	29
Making proposals concerning further development and research	3.70	1.01	27
Overall mean	**3.75**	**1.03**	**27**
Work Roles Competence			
Familiar with my organization's policy concerning division of labour and co-ordination of duties	3.85	1.06	28
Mentoring new employees and student nurses in my unit	3.94	1.04	26
Overall mean	3.89	1.05	27
Grand mean	3.90	0.99	25

Source: Survey Data 2018

As presented in Table 3, under helping role competencies subscale the respondents indicated that planning patient care according to individual needs influenced job performance (mean = 4.01, standard deviation = 1.00); supporting patient's coping strategies influenced job performance (mean = 3.89, standard deviation = 0.92), decision making guided by ethical values influenced job performance of nurses (mean = 4.14, standard deviation = 0.92), the application of nursing philosophy influenced job performance (mean = 4.06, standard deviation = 0.88) while developing the treatment culture of one's unit influenced job performance (mean = 4.00, standard deviation = 0.88).

Under teaching and coaching competence subscale the scores showed that taking active steps to maintain and improve one's professional skills influences job performance (mean = 3.98, standard deviation = 0.97),providing individualized patient education influences job performance (mean = 4.05, standard deviation = 0.92); coaching others in duties within one's responsibility area influences job performance (mean = 3.95, standard

deviation = 0.92); developing orientation programmes for new nurses in one's unit influenced job performance (mean = 3.81, standard deviation = 1.02) while evaluating patient education outcomes with family influenced job performance (mean = 3.74, standard deviation = 0.99).

Under the diagnostic competence subscale of employee competence the respondents indicated that analyzing patient's well-being from many perspectives influences job performance (mean = 3.96, standard deviation = 0.94); being able to identify patient's need for emotional support influences job performance (mean = 4.06, standard deviation = 0.96), arranging expert help for patient when needed influences job performance (mean = 3.98, standard deviation = 0.24) while coaching other staff members in patient observation influences job performance (mean = 4.02, standard deviation = 0.94).

Under the Managing Situations Competence subscale of employee competence the respondents indicated that planning for the available resources influences job performance (mean = 4.05, standard deviation = 0.97); prioritizing one's activities flexibly according to changing situations influences job performance (mean = 4.05, standard deviation = 0.98), promoting flexible team co-operation in rapidly changing situations influences job performance (mean = 3.93, standard deviation = 1.02), arranging debriefing sessions for the care team when needed influences job performance (mean = 3.75, standard deviation = 1.07) while coaching other team members in mastering rapidly changing situations influences job performance of nurses (mean = 3.82, standard deviation = 1.05).

Regarding Therapeutic Interventions, Competence subscale of employee competence the respondents indicated that making decisions concerning patient care taking the particular situation into account influences job performance (mean = 3.93, standard deviation = 1.03); planning own activities flexibly according to clinical situation influences job performance (mean = 3.93, standard deviation = 1.01), coordinating multidisciplinary team's nursing activities influences job performance (mean = 3.71, standard deviation = 1.07), contributing to further development of multidisciplinary clinical paths influences job performance (mean = 3.76, standard deviation = 0.97) while recommending for updating of written guidelines for care influences job performance of nurses (mean = 3.82, standard deviation = 1.05).

Under the Ensuring Quality of Health Care Practice Competence subscale of employee competence the respondents indicated that evaluating systematically patient's satisfaction with health care service provision influences job performance (mean = 3.84, standard deviation = 1.03); applying new research findings in improving patient care influences job performance (mean = 3.73, standard deviation = 0.98), ability to identify areas in patient care needing further development and research influences job performance (mean = 3.73, standard deviation = 1.08) while making proposals concerning further development and research(mean = 3.70, standard deviation = 1.01).

Under the Work Roles Competence subscale of employee competence the respondents indicated that familiarizing with one's organization's policy concerning division of labour and co-ordination of duties influences job performance (mean = 3.85, standard

deviation = 1.06) while mentoring new employees and student nurses in my unit influences job performance (mean = 3.94, standard deviation = 1.04).

The indicators of employee competence and job performance had an overall mean score of3.90and an overall coefficient of variation (Cv) = 25%. 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 25% the variation is therefore low hence regarded as very good.

4.2.3 Measures of Job Performance

The sub-constructs that were used to measure job performance were namely task performance, contextual performance, adaptive performance and counterproductive performance. Twenty five (25) items were used to job performance. Respondents were asked to respond to statements regarding job performance of nurses in Kenyan National Referral Hospitals. Responses were given on a five-point Likert scale ranging where 1: strongly disagree, 2: disagree, 3: neutral, 4: agree, 5: strongly agree. The scores for 'strongly disagree' and 'disagree' are lumped together, the scores for neutral is explained alone while the scores for 'agree' and 'strongly agree' are summed together. The mean score for 'strongly disagree' and 'disagree' is equivalent to a mean score of 0 to 2.4. The mean score of 'neutral' is equivalent to a mean score of 2.5 to 3.4. The scores of 'agree' and 'strongly agree' is equivalent to a mean score of 3.5 to 5.0. The task performance subscale consisted of 7 items, contextual performance subscale had 7 items, Adaptive performance subscale consisted of 6 items and counterproductive performance subscale had 5 items. Respondent's views about these sub-constructs were sought and the ratings are presented in Table 4.

Table 4: Mean and Standard Deviation for Measures of Job Performance

Statement	Mean	Std Dev	CV (%)
Task Performance(In-role Performance Items)			
I managed to plan my work so that I adequately complete assigned duties on time.	3.84	1.14	30
I engage in activities that directly affect my performance evaluation.	3.66	1.17	32
I focus at doing the main and essential duties in my work	3.80	1.13	30
I always fulfill responsibilities specified in job description.	3.94	1.05	27
I meet and sometimes exceed performance requirements of my job.	3.96	1.05	27
I don't neglect aspects of the job I am obliged to perform.	3.96	1.07	27
I perform tasks that are expected of me well with minimal time and effort.	3.85	1.13	29
Overall mean	**3.86**	**1.11**	**29**
Contextual Performance			
I always go beyond what is assigned to me when I have extra time	4.00	1.04	26
I frequently encounter and solve new challenges in my job.	3.95	1.01	26

I normally take on extra responsibilities.	3.97	1.06	27
I sometimes come up with creative solutions to new problems	3.92	0.97	25
I frequently take on challenging work tasks when available.	4.03	1.00	25
I am always customer oriented	4.10	0.99	24
I actively participated in work meetings.	3.92	1.02	26
Overall mean	**3.98**	**1.01**	**26**
Adaptive Performance			
I ensure that my job knowledge is always up-to-date.	3.98	0.96	24
I ensure my job skills are always up to-date.	3.91	0.96	25
I always demonstrated flexibility in doing my job.	3.93	1.00	25
I am always able to cope well with difficult situations and setbacks at work.	3.85	1.04	27
I recover very fast, after difficult situations or setbacks at work.	3.81	1.01	26
I always come up with creative solutions to new problems	3.84	1.03	27
Overall mean	**3.89**	**1.00**	**26**
Counterproductive Performance			
I don't complained about unimportant matters at work	3.73	1.19	32
I don't exaggerate problems at work place	3.89	1.10	28
I don't normally focused on the negative aspects of a work situation, instead I focus on the positive aspects	3.95	1.13	29
I don't speak with colleagues about the negative aspects of my work	3.71	1.18	32
I don't speak with people from outside the organization about the negative aspects of my work.	3.98	1.15	29
Overall mean	**3.86**	**1.15**	**30**
Grand mean	**3.90**	**1.06**	**27**

Source: Survey Data 2018

As presented in Table 4 above, under tsk performance subscale the respondents indicated that nurses manage to plan their work so that they can adequately complete assigned duties on time (mean = 3.84, standard deviation = 1.14); I engage in activities that directly affect my performance evaluation(mean = 3.66, standard deviation = 1.17), that they focus at doing the main and essential duties in my work(mean = 3.80, standard deviation = 1.13), I always fulfill responsibilities specified in job description (mean = 3.94, standard deviation = 1.05),I meet and sometimes exceed performance requirements of my job (mean = 3.96, standard deviation = 1.05) while I perform tasks that are expected of me well with minimal time and effort (mean = 3.85, standard deviation = 1.07).

Under contextual performance subscale the scores showed that I always go beyond what is assigned to me when I have extra time (mean = 4.00, standard deviation = 1.04),I frequently encounter and solve new challenges in my job (mean = 3.95, standard deviation = 1.01); I normally take on extra responsibilities (mean = 3.97, standard deviation = 1.06); I sometimes come up with creative solutions to new problems (mean = 3.92, standard deviation = 0.97), I frequently take on challenging work tasks when available (mean = 4.03, standard deviation = 1.00),I am always customer oriented (mean = 4.10, standard deviation = 1.09) while I actively participated in work meetings(mean = 3.92, standard deviation = 1.02).

Under the adaptive performance subscale of job performance the respondents indicated that I ensure that my job knowledge is always up-to-date (mean = 3.98, standard deviation = 0.96); I ensure my job skills are always up to-date(mean = 3.91, standard deviation = 0.96), I always demonstrated flexibility in doing my job(mean = 3.93, standard deviation = 1.00), I am always able to cope well with difficult situations and setbacks at work(mean = 3.85, standard deviation = 1.04),I recover very fast, after difficult situations or setbacks at work (mean = 3.81, standard deviation = 1.01) while I always come up with creative solutions to new problems(mean = 3.84, standard deviation = 1.00).

Under the Counterproductive Performance subscale of job performance the respondents indicated that not complaining about unimportant matters at work (mean = 3.73, standard deviation = 1.19); not exaggerating problems at work place(mean = 3.89, standard deviation = 1.10), not normally focused on the negative aspects of a work situation, instead I focus on the positive aspects (mean = 3.95, standard deviation = 1.13), not speaking with colleagues about the negative aspects of my work(mean = 3.71, standard deviation = 1.18) while not speaking with people from outside the organization about the negative aspects of my work(mean = 3.98, standard deviation = 1.15).

The indicators of job performance had an overall mean score of3.90and an overall coefficient of variation (Cv) = 27%. 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 27% the variation is therefore low hence regarded as very good.

4.3 Test of Hypotheses

This section presents the findings of tests of hypotheses of the study. The hypothesis was to establish the moderating effect of employee competence on the relationship between employee reward and employee job performance of nurses in Kenyan National Referral Hospitals.

4.3.1 Moderating Effect of Competence on the Relationship between Employee Competence and Job Performance

The objective of the study was to establish the moderating effect of employee competence on the relationship between employee reward and employee job performance of nurses in Kenyan national referral hospitals. The moderating effect was tested in terms of how the effect of independent variable on dependent variable changes when a

moderator is introduced. To establish the moderating effect, the following hypothesis was formulated for testing.

H_1: Employee competence has a moderating effect on the relationship between employee reward and employee job performance of nurses in Kenyan national referral hospitals.

The moderating effect was tested using stepwise regression analysis proposed by Baron and Kenny (1986). The first step involved testing the influence of employee reward on job performance. The second step tested the effect of predictor variables (employee reward and employee competence) on criterion variable (job performance). In the third step, an interaction term (computed as the product of standardized values for employee reward and employee competence) was introduced and tested for its effect on job performance. Moderation is established if the effect of interaction in the third step is significant. Regression results are presented in Table 5.

Table 5: Regression Results for Moderating Effect of Employee Competencies on the Relationship between Employee Reward and Job Performance

Model Summary							
Model			R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	Employee reward		.861	.741	.740	.38028	
2	Employee reward Employee Competence		.906	.820	.819	.31725	
3	Employee reward, Employee Competence, Employee and EC*ER		.909	.826	.823	.31326	
ANOVA							
Model			Sum of Squares	df	Mean Square	F	Sig.
1	Employee reward	Regression	100.822	1	100.822	697.182	.000
		Residual	35.286	244	.145		
		Total	136.108	245			
2	Employee reward Employee Competence	Regression	111.651	2	55.825	554.667	.000
		Residual	24.457	243	.101		
		Total	136.108	245			
3	Employee reward, Employee Competence, Employee, and EC*ER	Regression	112.360	3	37.453	381.657	.000
		Residual	23.748	242	.098		
		Total	136.108	245			

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.661	.125		5.293	.000
	Employee reward	.861	.033	.861	26.404	.000
2	(Constant)	.064	.119		.539	.590
	Employee reward	.595	.037	.595	15.935	.000
	Employee Competence	.412	.040	.387	10.373	.000
3	(Constant)	.778	.335		2.325	.021
	Employee reward	.869	.108	.869	8.019	.000
	Employee Competence	.640	.093	.601	6.854	.000
	EC*ER	.072	.027	.454	2.688	.008
Model 1 Predictors (Constant) Employee reward Model 2 Predictors: (Constant) Employee reward and Employee Competence Model 3 Predictors: (Constant) Employee reward, Employee Competence and Interaction term. Dependent Variable: Job Performance						

Source: Survey Data 2018

Key: EC=Employee competence, ER=Employee reward

The regression results in Table 5 are explained in this section. In step one; job performance was regressed on employee reward. The results indicate that employee reward accounts for 74.1 percent of the variance in job performance (R^2=.741, P<0.05). The overall model was significant (F= 697.182,β= .861, P< 0.05). The beta coefficient implies that one unit change in employee reward is associated with.861 change in job performance. The results in the first step were all significant.

The moderator, employee competence was added in step two. The introduction of the moderator, employee competence, significantly improves the influence of employee reward on job performance from 74.2 percent to 82.0 percent. Employee reward and employee competence together explain 82.0 percent of the variance in job performance. The overall model was statistically significant (F= 554.667, P<0.05). Similarly, the beta coefficient (β=.412) was statistically significant.

In step 3, the interaction term was introduced in the regression model. All the variables, employee reward, employee competence and the interaction term (Employee reward*Employee competence) were entered in the regression model. The results reveal that R^2improved from 0.820 in step two to 0.826 in step three. The overall model in step 3 yielded results that indicate that the interaction was statistically significant (F=381.657, P<0.05). The beta coefficients revealed an improvement from (β=.412) to (β=.640) when the interaction term was included in the regression model. The results therefore provided

evidence in support of the hypothesis that employee competence moderates the relationship between employee reward and job performance of nurses in Kenyan National Referral Hospitals.

The result implies that employee competence moderate the relationship between employee reward and employee job performance of nurses in Kenyan National Referral Hospitals. This means that changes in employee competence strengthens the relationship between employee reward and employee job performance. Figure 2 contains the path diagram illustrating the moderation effect.

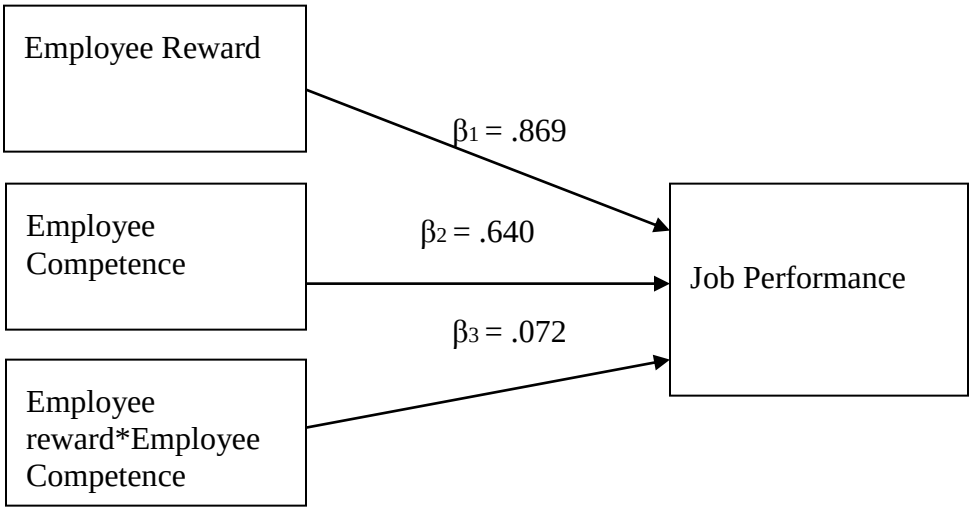


Figure 2: Moderation Path Diagram for the Effect of Employee Competence on the relationship between employee reward and employee job performance

Source: Survey Data 2018

The regression equation for estimating the moderating effect of employee competence on the relationship between employee reward and employee job performance is as follows:

$Y= \beta_0 + \beta_1 X + \beta_2 M + \beta_3 X*M + \varepsilon$

$Y = .778 + .869X + .640M + .072X*M$

Where:

Y = Job Performance

X= Employee reward

M= Employee competence (Moderator)

X*M = Interaction Term

Ɛ= Error term

The regression equation suggests that a unit change in employee reward causes a unit increase of 0.869 in job performance. A unit change in employee competence causes a unit increase of 0.640 in job performance. Further, a unit change in the interaction of employee reward and employee competence causes an increase of 0.072 in job performance. The equation lends credibility to the hypothesis by illustrating that employee competence moderates the relationship between employee reward and job performance.

4.4 Discussion of the Research Findings

The objective of the study was to determine the influence of competence on the relationship between employee reward and nurse job performance in Kenyan national referral hospitals. A hypothesis was generated from this objective. It stated that employee competence has effect on the relationship between employee reward and employee job performance of nurses in Kenyan national referral hospitals.

The Baron and Kenny's path analysis (stepwise regression) for testing for moderation was employed to confirm whether the relationship between employee reward and job performance is moderated by employee competence. While it was found that employee reward accounts for 74.1 percent of the variation in job performance, the introduction of the moderator, employee competence, significantly improved the influence of employee reward onjob performance. Employee reward and employee competence explained 82.0 percent of the variance in job performance. However, when the interaction term (Employee reward*employee competence) was introduced to the regression along with employee reward and employee competence, the interaction between employee reward and employee competence had a significant influence on job performance. The results reveal that R^2 improved from 0.820 in step two to 0.826 in step three. The hypothesis on the moderating effect of employee competence on the relationship between employee reward and job performance was therefore affirmed. The results are in agreement with Saks (200) that reward is positively related to employee job performance (Saks, 2006) and this can only happen if the employees have the required competences for task performance. The study of nurse competence and turnover intentions suggested that lack of competence threatens both the quality and quantity of task performance (Takase*et al.* 2015).Competences enable employee's exhibit higher levels of in-role performance and develop technological solutions (Meyer, 2015)Work should be assigned according to worker competences for effective and efficient performance since it enable individuals respond efficiently and speedily to customer needs, require less supervision and facilitate creativity (Massingham*et al.*, 2015).

In establishing the link between QWL, personality, job satisfaction, competence and job performance (Muindi, 2014) found a positive correlation between competence and job performance of academic staff in Kenyan universities. However a study by Al-Almadi, (2008) indicates negative correlation between highly competent workers and performance. These arguments are in line with SET and HC theory who emphasize the employee economic benefits and their competences respectively in improving work outcomes.

5.0 Conclusions

It was found that the relationship between employee reward and job performance is moderated by employee competencies. The results provided sufficient statistically significant evidence to signify a moderating effect of job competence on the relationship between employee reward and employee job performance of nurses in Kenyan national referral hospitals. It can be concluded that firms attach much value to employee competencies since these contribute directly to how well a firm will perform. To a great extent firms value employee competencies (mean 3.90) and seek to ensure employees have the right competencies to enable them to perform to the desired standards. Firms therefore have to ensure employee's capacity is built and opportunity is provided for then to learn and develop competencies that can lead to superior performance. Competent employees are essential to the success of any organization. It is emphasized that the performance of an individual as well as the company performance and success depend on individual competencies. The performance of hospitals is a combination of staff being, available, competent, productive and responsive. The poor job performance by service providers leads to inaccessibility of care and in appropriate care, which thus contribute to reduced health outcomes.

6.0 Theoretical Implications, Implications on Practice and Policy recommendation

The results of the study established that employee competence moderates the relationship between employee reward and job performance. Competent employees are essential to the growth of an organization. The results from the study inform the Human Capital Theory that advocates for creativity and productivity through human index development. The Human Capital Theory consists of employee competences that can be rented out to employers to create value and promote firm growth. The HC theory put emphasizes on nurses' competencies in being engaged in their task, managing high JD and producing quality service delivery.

The study identified that employee competence have positive and significant relationship with job performance. Employee competencies are an internal resource and it is when employees have the right competencies that they can work in a manner that can lead to improved job performance. The referral hospital management should initiate employee training through seminars and workshops in order to equip them with necessary skills.

The study identified that employee competence have positive and significant relationship with job performance. The government through the Ministry of Health, high education and other non-governmental partners should initiate training programs for employees to sharpen their skills.

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