

**HUMAN RESOURCE MANAGEMENT PRACTICES AND PERFORMANCE  
OF DEVOLVED HEALTHCARE FACILITIES IN NAIROBI CITY COUNTY,  
KENYA.**

**ESTHER MAHIRI**

**A THESIS SUBMITTED TO THE SCHOOL OF BUSINESS IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE  
DEGREE IN MASTERS OF SCIENCE (HUMAN RESOURCE MANAGEMENT  
OPTION) KENYATTA UNIVERSITY**

**September, 2019**

## DECLARATION

This thesis project is my original work and to the best of my knowledge and has not been presented for any award to any other university.

.....

Signature

Mahiri Esther (D58/CTY/PT/29900/2014)

.....

Date

This thesis project has been submitted for examination with our approval as Kenyatta University duly appointed Supervisors.

.....

Signature

Dr. Jedidah V. Muli,  
Department of Business Administration  
School of Business,  
Kenyatta University.

.....

Date

.....

Signature

Dr. David Kiiru  
Department of Business Administration  
School of Business,  
Kenyatta University.

.....

Date

## **DEDICATION**

This thesis is dedicated to my spouse Boniface Makongo whose love, generosity, friendship and wise counsel has continued to inspire me each day. To my two girls Vivian Claire and Ivyian Camilla you will never outgrow my heart.

## **ACKNOWLEDGMENT**

Many people have made this thesis possible. I would like to acknowledge all those who contributed to its success either directly or indirectly. I wish to express my gratitude to my supervisors, Dr.Jedidah Muli and Dr. David Kiiru, for their guidance throughout the thesis proposal development. Criticism from Dr, Peter Phillip, Wambua, Dr.Wanyoike, Dr.Ndegwa, Dr.Wainana, Dr.Bula and Dr.Kinyua shaped this thesis.

I acknowledge my friends and colleagues at Kenya National Highways Authority for their support and Kenyatta University for enabling me to achieve this goal. I lack the right word to thank my family, for making me believe in myself and to work hard with devotion. To the Almighty God thank you for you have never failed me you have blessed more me than I deserve. My appreciation to Kenyatta University for giving me an opportunity to pursue my degree in the reputable University.

## TABLE OF CONTENTS

<b>DECLARATION .....</b>	<b>ii</b>
<b>DEDICATION .....</b>	<b>iii</b>
<b>ACKNOWLEDGMENT .....</b>	<b>iv</b>
<b>TABLE OF CONTENTS .....</b>	<b>v</b>
<b>LIST OF TABLES.....</b>	<b>ix</b>
<b>LIST OF FIGURES.....</b>	<b>x</b>
<b>OPERATIONAL DEFINITION OF TERMS .....</b>	<b>xi</b>
<b>ABBREVIATIONS AND ACRONYMS .....</b>	<b>xii</b>
<b>ABSTRACT .....</b>	<b>xiii</b>
<b>CHAPTER ONE: INTRODUCTION .....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.1 Performance.....	5
1.1.2 Human Resource Management Practices .....	7
1.1.3 Political factors.....	14
1.1.4 Nairobi City County Health Facilities.....	15
1.2 Statement of the Problem.....	18
1.3 Objectives of the Study.....	19
1.3.1 General Objective.....	19
1.3.2 Specific Objectives.....	19
1.4 Hypothesis .....	20
1.5 The significance of the Study .....	20
1.6 The scope of the Study.....	21
1.7 Limitation of the Study .....	22
1.8 Organization of the Study .....	23

<b>CHAPTER TWO: LITERATURE REVIEW .....</b>	<b>24</b>
2.1 Introduction.....	24
2.2 Theoretical Review .....	24
2.2.1 Outcomes Theory .....	24
2.2.2 Human Capital Theory .....	26
2.2.3 Resource Based View Theory .....	27
2.3 Empirical Literature Review.....	29
2.3.1 Employment Security and Performance of Devolved Healthcare Facilities .....	29
2.3.2 Employee Resourcing and Performance of Devolved Healthcare Facilities.....	31
2.3.3 Employee training and Performance of Devolved Healthcare Facilities .....	33
2.3.4 Employee Compensation and Performance of Devolved Healthcare Facilities....	36
2.3.5 Political Factor and Organizational Performance .....	38
2.4 Summary of Empirical Review and Knowledge Gaps .....	41
2.5 Conceptual Framework.....	46
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>48</b>
3.1 Introduction.....	48
3.3 Research Design .....	49
3.4 Empirical Model .....	49
3.4.1 Relationship between Independent Variables and Moderating Variable on Performance .....	50
3.5 Target Population.....	51
3.5 Sampling Procedure and Sample Size .....	52
3.6 Operationalization and Measurement of Variables .....	53
3.7 Validity and Reliability of Data Collection Instruments .....	57
3.7.1 Validity of Data Collection Instruments .....	57
3.7.2 Reliability of Data .....	57

3.8 Diagnostic Tests.....	58
3.8.1 Normality Tests Results .....	59
3.8.2 Linearity Test Results.....	60
3.8.3 Multicollinearity Test Results .....	62
3.8.4 Homoscedasticity Test Results.....	63
3.9 Data Collection Procedures .....	64
3.10 Data Analysis and Presentation .....	64
3.11 Ethical Considerations .....	65
<b>CHAPTER FOUR: RESEARCH FINDINGS AND DISCUSSION.....</b>	<b>66</b>
4.1 Introduction.....	66
4.2 Response rate .....	66
4.2.1 Respondents Demographic Characteristics .....	66
4.3 Descriptive Statistics.....	68
4.3.1 Employment Security .....	68
4.3.2 Employee Resourcing .....	71
4.3.3 Employee Training .....	73
4.3.4 Employee Compensation.....	75
4.3.5 Political factors.....	76
4.3.6 Performance .....	77
4.4 Regression Analysis.....	79
4.4.1 Test of Hypothesis .....	79
4.4.2 Test of Direct Relationship .....	79
4.5 Moderation .....	87
<b>CHAPTER FIVE: SUMMARY, CONCLUSION CONTRIBUTION AND RECOMMENDATIONS .....</b>	<b>90</b>
5.1 Introduction.....	90

5.2	Summary .....	90
5.3	Conclusion .....	92
5.4	Contributions of the Study to Knowledge .....	94
5.5	Recommendations for Further Research.....	95
	<b>REFERENCES .....</b>	<b>96</b>
	APPENDIX 1: QUESTIONNAIRE LETTER OF TRANSMITTAL.....	106
	APPENDIX II: QUESTIONNAIRE .....	107
	APPENDIX III: .....	113
	NAIROBI CITY COUNTY HEALTH FACILITIES .....	113



## LIST OF TABLES

Table: 2.1: Summary of Empirical Review and Knowledge Gaps.....	42
Table 3.2: Target Population .....	52
Table 3.3: Distribution of Sample Size.....	52
Table 3.4: Measurement of Variables.....	53
Table 3.5: Test of Hypothesis Table.....	55
Table 3.6 Test of Reliability of Research Instrument.....	58
Table3.7: Normality.....	59
Table3.8: Linearity test.....	61
Table3.9: Results of Multicollinearity test .....	62
Table3.10: Levene Test.....	63
Table 4.1 Response Rate.....	66
Table 4.2 Results for Demographic Profile of Respondents .....	67
Table 4:3 Employment Security affects Performance .....	69
Table 4:4 Employee Resourcing affects Performance.....	71
Table 4:5 Employee Training affects Performance .....	73
Table 4:6 Employee Compensation affects Performance.....	75
Table 4.7 Political factors .....	77
Table 4.8 Performance of Healthcare Facilities.....	78
Table 4.9: Model Summary .....	79
Table 4.10: Analysis of Variance (ANOVA).....	80
Table 4.10: Regression of political factors on HRMP and Performance variables. ....	87
Table 4.11: Regression of product of political factors on HRMP and Performance variables.....	88

## LIST OF FIGURES

Figure: 2.1: Conceptual Framework .....	47
---	----

## **OPERATIONAL DEFINITION OF TERMS**

<b>Devolved Healthcare</b>	Distribution of administrative powers and functions of national centralized healthcare authority to Nairobi City County healthcare facilities.
<b>Effectiveness</b>	Level of nearness of actual results by the county to planned results
<b>Efficiency</b>	Is the ability of the county government to produce maximum output with limited resources.
<b>Employee compensation</b>	Formulation and implementation of strategies and policies in order to remunerate County healthcare staff fairly, equitably and consistently in accordance to value in devolved healthcare facilities.
<b>Employee resourcing</b>	The process of interviewing and evaluating application candidates for a specific job and selecting individuals for employment based on skills, education, job experience and character.
<b>Employee training</b>	The systematic concentration of effort on County healthcare staff to gain knowledge that will result in improved performance in healthcare facilities in Nairobi City County.
<b>Employment security</b>	Assurance embedded in the type of employment contract Nairobi City County healthcare staff is given such as a pensionable the contract.
<b>Human Resource Management practices</b>	Undertakings used by Nairobi City County healthcare facilities to manage planned human resources activities through the facilitation of the development of key competencies in County healthcare staff that are specific to Nairobi City County healthcare facilities.
<b>Performance</b>	Refers to any recognized accomplishment in the Nairobi City County healthcare facilities such as efficiency, effectiveness and service delivery.
<b>Political Factors</b>	Activity related to government policy and administrative practices that can an effect on healthcare performance of Nairobi city County government
<b>Service Delivery</b>	The act of county providing healthcare service to the public

## **ABBREVIATIONS AND ACRONYMS**

GOK	Government of Kenya
HR	Human Resource
HRM	Human Resource Management
HRMP	Human Resource Management Practices
HRP	Human Resource Practices
PM	Performance Management
RBV	Resource Based view theory
SPSS	Statistical Package for Social Sciences

## ABSTRACT

Performance is a function of how well managers use human resource practices to improve the efficiency, effectiveness service provision. In today's global environment, organizations are constantly looking for ways to expand and improve their businesses in terms of efficiency, effectiveness and service delivery to enhance performance. Despite the use of Human Resource Management Practices (HRMP) worldwide over the past years, the application of Human Resource Management Practices in Kenya and especially in the devolved County governments is still very low, thereby posing a threat to the performance of organizations. The general objective of this study was to investigate the effect of HRMP on the performance of devolved healthcare facilities in Nairobi City County, Kenya. Its specific objectives was to determine influence of employment security on performance of the devolved healthcare facilities in Nairobi City, Kenya, to establish the effect of employee resourcing on performance of the devolved healthcare facilities in Nairobi City, Kenya, to analyse the effect of employee training on performance of the devolved healthcare facilities in Nairobi City, Kenya, to analyse influence of Employee compensation on performance of the devolved healthcare facilities in Nairobi City, Kenya and to determine moderating effect of political factors on the relationship between HRMP and performance of devolved healthcare facilities. The study was underpinned by three theories namely goal setting theory, human capital theory and resource-based view theory. A descriptive research design specifically cross-sectional research study was used to gather quantitative and qualitative data from employees of the 78 healthcare facilities in Nairobi City County, Kenya with a target population of 3052. The simple random sampling design was used to select a sample size of 354 respondents at 95% confidence level. Primary data was collected using self-administered structured questionnaires both qualitative & quantitative data was collected. Quantitative data were analysed using both descriptive and inferential statistics. Descriptive statistics data was summarised using percentages, mean and standard deviation while in inferential statistics, multiple regression analysis was used. All the analysis was done aided by the statistical package for social sciences (SPSS version 21). Qualitative data was analysed using content analysis. Results were presented by the use of Tables & charts. Null hypothesis was rejected when the P value was less or equal to 0.05 and accepted when it's greater than 0.05. The findings indicate that there is a significant positive relationship between employment security performance of devolved healthcare facilities in Nairobi city County employment resourcing had a significant positive relationship with performance of devolved healthcare facilities in Nairobi city County, employee training had a significant positive relationship with performance of devolved healthcare facilities in Nairobi city county, while employee compensation had significant positive relationship with performance. Political factor was found to be an explanatory variable in explaining the relationship between healthcare performance and human resource management practices. The findings supported the theoretical foundation of the resource-based view theory that performance comes from the internal resources that are owned by a firm. The recommendations are; human resource managers should offer adequate employee trainings, compensation and resourcing to their staff, policy makers should create an environment on employment security that will effectively link to an overall performance of healthcare facilities in Nairobi City County, Kenya.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

The primary actions of the human resource manager are to translate business strategies into human resources priorities (Achampong, 2012). As conceptualized Adonis (2013) organizational performance connotes effectiveness as a degree of goal attainment. Omondi (2016) pointed out that organization performance is an end result of work achieved measured by quality and quantity of an individual or group achievement. Performance is viewed as the ability for an organization to provide quality, efficient, effective, service delivery to both the internal and external customers (Shuck, Rocco & Albornoz, 2011). Performance is a matter of utmost importance to scholars and practitioners in the field of human Resource (Britnell, 2015). The world is becoming more competitive and unstable than ever before as organizations are seeking to gain a competitive advantage at all cost and are turning to more innovative sources through Human Resource Management Practices (Faleye and Trahan, 2014)

Over the past decade the human resource management function has come under pressure to demonstrate its contribution to organizational performance (Achampong, 2012). Consequently, research in human resource management has examined the influence on organizational performance of high-performance human resource practices, which are coherent practices that enhance the skills of the workforce, participation in decision making, and motivation to put forth discretionary effort (Appelbaum, Bailey, Berg,

&Kalleberg, 2014) and that ultimately result in superior intermediate indicators of firm performance and sustainable competitive advantage (Achampong, 2012).

Several global studies have been carried out to review the human resource management practices and performance of devolved health care facilities in various regions around the world. A study by Guay (2013) to determine effects of decentralization of organizational function performance of regions in Europe indicated that decentralization is associated with improved efficiency and responsiveness. In addition a study done in India by Faleye and Trahan (2014) to determine how human resource management practices promote performance in organizations indicated effective human resource planning is associated with responsive performance.

According to the Resource Based View theory performance results from competitive advantage which originates from the possession of distinctive resources and capability that must fulfil the conditions of value ability, rareness, inimitability and non-substitutability. Rareness creates perfect competition since resources are possessed by fewer firms. Inimitable resources are costly to copy and non-substitutable, meaning that there is no alternative to fulfil the same function immediately (Arend & Levesque & Barney, 2011).

In Kenya, the government has provided for policies which give directions to ensure that considerable developments in the public and private sector are aligned with the sustainable development goals (SDG) and Kenya Vision 2030 under social pillar (GOK 2016). Specifically, in order to improve the overall livelihoods the government of Kenya

aims at providing an efficient and high quality health care system through devolution of funds and management of health care to the communities (GOK, 2015). More over this cannot be achieved without effective empowerment of human resource managers working within various counties in the country. A study by Atela (2013) states that health systems accountability and engagement are increasingly improving services by providing mechanisms in the design as well as in the implementation, and evaluation of service delivery, where Kenya makes use of hospital boards, health facility committees, patient and facility service charters to improve performance of health care departments within counties. Additionally, the results of a study by Korir (2010) suggested that the Kenya Ministry of Health should put more effort to reducing inefficiency in service provision by promoting human resource plans and providing good working conditions in organizations within various counties in the country. The result also added that in order to facilitate performance measurement of efficiency on an annual basis, there was need for the human resource managers to maintain a database on the inputs used by each hospital and services it provides because efficiency information is critical to the upgrading of healthcare service quality in counties in Kenya.

Moreover, it has been found out that devolution provides an opportunity to rationalize effective health care service delivery framework in Kenya for increased efficiency and accountability. This will be achieved by promoting human resource planning activities as well as by making counties the hub for organizing health care services at the local level (Khaunya, Wawire & Chepng'eno, 2015). A report by KPMG (2014) stated that the success of devolution of health care services in Kenya depends to a great extent on the presence of stable human resource practices as well as the availability of an enabling



environment, an environment that is marked by the will and commitment of all health stakeholders from various sectors in the counties.

Devolution has empowered the county government to design innovative models that suit the terrain of their unique sector needs sufficient scope to determine health system priorities; and allow the authority to make autonomous decisions on sub-sector resource allocation and expenditure (Kenneth, 2014).

Arguably, a review of human resource management practices by Wavomba and Sikolia (2015) indicated that effective human resource practices should consider high performance, high motivation and high commitment human resource management practices. These practices comprise factors such as employee compensation, employee training as well as employee resourcing and employment security. These functions influence employee performance within the healthcare facilities in Counties. However these should incorporate external and environmental conditions to promote the success of healthcare services in the country. Effective human resource management practices should also involve the consideration of external and environmental conditions as well as key factors inside the organization which are likely to promote the success of healthcare services in the country. Kuria, Namusonge and Iravo (2016) noted that external factors such as labour, market conditions, competition as well as social-factors should also be considered in effective human resource management in all countries in the world. However, other internal factors such as technology, organization culture and organization strategy are also important in promoting human resource practices and health care facilities management within counties (Muchomba & Karanja, 2015). Considering all

these factors can help promote a significant impact on firm performance since employees will feel motivated in their work place environment (Mwamuye & Nyamu, 2014).

### **1.1.1 Performance**

Research in performance measurement in human resource management has gone through many phases in the past years. Focus was on financial indicators but with time complexity of the performance measurement system increased by using both financial as well as non-financial indicators. Since the 21<sup>st</sup> century researchers, consulting firms and HRM practitioners emphasized the need to put an increased emphasis on non-financial indicators in the performance such as product quality, efficiency and effectiveness (Richardson, 2014).

Organizational performance is the organization's ability to attain its goals by using resources in an effective and efficient manner (Achampong, 2012). Organizational performance is the actual output or results of an organization as measured against its intended outputs, that is; goals and objectives. Performance should not be confused with productivity. According to Chege and Odour (2010), productivity is a ratio depicting the volume of work completed in a given amount of time. Performance is a broader indicator that could include productivity as well as quality, consistency, effectiveness, efficiency among other factors.

Achampong (2012) further postulates that performance can subjectively be measured with product or service quality, product or service innovation, employee attraction, employee retention, customer satisfaction, management, employee relation and total

profitability. Performance can be measured as a result of the outcome a particular organization achieves which could be either good or bad which would result to organizations adopting different tools to manage and measure performance (Britnell, 2015).

According to Adonis (2015), performance can be evaluated by an organizations efficiency and effectiveness of goal achievement. In addition Anderson (2011) conceptualized effectiveness as a degree of goal attainment Schermorhorn (2013) pointed out that performance is an end result of work achieved measured by quality and quantity of an individual or group achievement. For the purpose of this study performance will be viewed as ability for the healthcare facilities to provide quality, efficient, effective, reliable healthcare services to the citizens of Kenya (Waiganjo, Mukulu & Kahiri, 2012).

The use of non-financial measures in measuring performance in HRM studies is most preferred in many organizations (Achampong, 2012). Consequently, this research used non-financial measures of performance since financial measures exhibit inherent problems when measuring HR performance. Ine & Pedro (2011) noted that financial measures view tangible capital as the main source of competitive advantage, it is clear that activities related to people are indicated as costs. Thus, the HRM function is treated as a cost centre; hence employees are seen as liabilities. Secondly, financial measures lead to a short-term orientation on the part of the firm with respect to the management of human resources (Britnell, 2015).

Thirdly, accounting data provides only an aggregate financial reflection of the real business process. Finally, financial measurements focus on resource consumption over a short time while HR practices take longer to demonstrate their impact (Becker, Huselid & Ulrich, 2001). However, it should be noted that non-financial measures ultimately lead to financial performance for the organisation (Mutua & Kiendi, 2012).

According to Adonis (2012), performance can be evaluated by an organizations efficiency and effectiveness of goal achievement. In addition Anderson (2015) conceptualized effectiveness as a degree of goal attainment Schermorhorn (2013) pointed out that performance is an end result of work achieved measured by quality and quantity of an individual or group achievement. For the purpose of this study performance will be viewed as ability for the healthcare institutions to provide quality, efficient, effective, service delivery healthcare services to the citizens (Waiganjo, Mukulu & Kahiri, 2012).

### **1.1.2 Human Resource Management Practices**

Human Resource Management Practices consists of approaches used in managing people (Armstrong, 2012). In this context, HRM is perceived as tasks that comprise workforce planning, job design and analysis, recruitment and selection, performance management, staff development, remuneration management and health, safety, and welfare management (Lovell, 2013). Human resource management has previously been viewed as aligning of the human resource functions of a firm with its overall goals and objectives (Achampong, 2012). It further means embracing human resource management functions

as a partner in formulation of organization's strategies as well as involvement in implementation of these strategies (Lew, 2009).

Human resource practices have traditionally been used by organizations to ensure positive company growth (Katua, 2014). According to the resource-based view theory firms can develop sustained performance by creating value in a manner that is rare and difficult for competitors to imitate. In turn, organizations are able to improve performance through a sustained performance by creating HRM practices that are rare and difficult to imitate by competitors (Khan, 2010).

Ulrich, (2018), found out that a major role of human resource personnel is to become business partners through the employment of HRM practices that play a vital role in the organization's achievement. Adonis (2102) observed that firms employing human resource practices according to the stated strategy are regarded as having enhanced performance. A case of Walmart stores and Forbes Fortune 500 Company having devolved decision making and Employee compensation, in turn got better performance (Lovell, 2013). Consequently, a comprehensive human resource strategy plays a vital role in the achievement of an organization's overall objectives and proves that the human resources function fully understands and supports the direction in which the organization moves (Millar & Stevens, 2012).

Katua (2014) observed that HRM encompasses an approach for making decisions on the intentions and plans of an organization concerning employment relationship comprising of recruitment, employee training, appraisal and reward management, all of which are generally integrated into the performance systems. Osman, Ho& Carmen (2011) argued

that firms can realize performance in many ways and one way often ignored is through human resource practices. Further, competing using human resource practices is the most compelling weapon and especially if it is difficult for a competitor to quickly copy and hence suggested that firms in the highly competitive environment should contemplate the use of human resource practices to enhance performance (Osman, Ho& Carmen, 2011).

According to Lenka and George (2013), there are seven specific HRMP, these are; employment security, employee resourcing, workplace teams and decentralization, employee compensation, employee training, reduction of status differentials and business information sharing with employees, which collectively lead to higher revenue, profits, market value and even organizational survival rates This study considered specific HRM practices which are employment security, employee resourcing, employee training and Employee compensation on effect of performance of devolved healthcare facilities in Nairobi City County, Kenya.

The ultimate goal of every organization is to be able to evolve, maintain performance standards and stay afloat. For an organization to achieve this, business needs continuous improvement and maintenance of strong levels of performance are necessary. An organizations success will all depend on its workforce and its abilities to perform (World Health Organization, 2010).The people who make up an organization who are human resources are considered to be one of the most important resources in today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for better performance has changed is essential to develop a different frame of

reference for considering issues of human resource management (Shuck, Rocco & Albornoz, 2011).

In today's competitive and rapidly changing business world, organisations, especially in the service industry, need to ensure maximum utilisation of resources to have an advantage as a necessity for organisational survival (Lenka & George, 2013). Studies have shown that organisations can create and sustain a competitive advantage through the management of non-substitutable, rare, valuable, and inimitable internal resources (Oyugi, 2014). HRM has transcended from policies that are not beneficial to practices that produce desirable health results (World Health Organization, 2010).

Human resource management practices have the ability to create organisations that are more intelligent, flexible and competent than rivals through the application of policies and practices that concentrate on recruiting, selecting, employee training skilled employees and directing best efforts to cooperate within the resource bundle of the organisation. This can potentially consolidate organisation performance and create a competitive advantage as a result of the historical sensitivity of human resources and the social complex of policies and practices that rivals may not be able to imitate or replicate diversity and depth (Lencer, 2015).

Traditional sources of success such as product and process technology, protected markets, economies of scale can still provide competitive leverage but an organization's human resources are more vital for its sustainability (Achampong, 2012). Human resource

management aims at ensuring that the organization obtains and retains a skilled, committed and well-motivated workforce it needs. This means taking steps to assess and satisfy future people needs and to enhance and develop the inherent capacities of people, their contributions, potential, and employability by providing learning and continuous development opportunities. It involves the operation of recruitment and selection procedures, management development and employee training activities linked to the needs of the business (Shuck, Rocco & Albornoz, 2011).

Human Resource Management plays a significant role in performance. It's worth noting that the way an organization manages and treats its employees is a key determinant of how they perform (Caliskan, 2010). Public and private entities have faced major challenges on how to survive and stay afloat with the ever-changing environment due to competition (Markie, 2008). For service delivery organizations survival is dependent on customer satisfaction which is a critical indicator of performance.

Organisations have focused on achieving superior performance through the use of talented human resources as a strategic asset. HRM policies or strategies must now be aligned to business strategies for organisational success. No matter the amount of technology and mechanisation developed, human resource remains the singular most important resource of any success-oriented organisation (Lenka & George, 2013). After all, successful businesses are built on the strengths of exceptional people. HRM has now gained significance academically and business wise and can consequently not be relegated to the background or left in the hands of non-experts. Attention must be paid to



the human resources organisations spent considerable time and resources to select (Achampong, 2012).

The adoption of certain bundles of human resource management practices has the ability to positively influence organisation performance. Further, creating powerful connections or to detract from performance when certain combinations of practices are inadvertently placed in the mix (Alloubani, Almatari & Almkhtar, 2014). Research has recorded a positive relationship between human resource management practices and performance (K'Obonyo, Busienei & Ogutu, 2013). Thus, in order to stimulate organizational performance, management is required to develop skilled and talented employees who are capable of performing jobs successfully (Hynes, 2012).

Achieving better performance requires successful, effective and efficient exploit of an organisation's resources and competencies in order to create and sustain competitive position locally and globally. Danish and Usman (2010) argued that HRM practices improve employee's knowledge, skills and abilities through improved motivation. Danish and Usman (2010) researched the effect of human resource management practices on the perceptions of organizational and market performance of the firm. He found that HRM practices had a positive relationship with firms' performance in public and private facilities (Hongudomsuk & Srisasalux, 2012).

The reviewed studies that have examined human resource practices have not factored in the moderating effects of political factors on the relationship between human resource practices and performance. Based on these findings there seems to be a positive relationship between selected HRM practices and performance in the western and

developed countries. This study investigated the effect of specific HRM practices in Kenya, in particular, the devolved healthcare facilities in Nairobi City County, Kenya. Various studies have examined Human Resource Management (HRM) as a means of increasing performance and have widely accepted this approach to organizational planning (Achampong, 2012). Further, the underlying assumption of HRM is that organization performance is influenced by a set of HRM practices pre-determined by the human resource managers. The assumption has been reinforced by empirical evidence that HRM practices have a positive relationship with competitiveness and performance (Alloubani, Almatari & Almkhtar, 2014). Brewster (2014) researched Human Resource Management in Europe. Evidence of convergence and found a positive link between HRMP and performance in organizations.

Hynes (2012) researched on managing human resources in small organizations. He pointed out that for small companies recruiting is often problematic. This can be due to several reasons such as limited financial and material resources and jobs with unclear boundaries responsibilities, which decreases their potential to hire qualified candidates. (Hongudomsuk and Srisasalux (2012) researched on changes in employment security and their causes. An empirical analysis for France, 2010-2014 and found evidence that technological changes contribute to keeping the employees for shorter periods of time, thus increasing job insecurity.

Alloubani, Almatari and Almkhtar (2014) researched on responding to the challenges of globalization, human resource development in Japan. He reviewed the changes in the area

of human resource development in Japan and observed that some companies and industries had shifted towards an approach that emphasized the impact of effective training at both individual and organizational levels on long-term organizational competitiveness (Hongudomsuk & Srisasalux, 2012). Although initial results point out that some human resources practices may have a positive effect on performance, other scholars are of the view that more conceptual and empirical work is required to regulate the actual effect of selected HRM practices on performance in different facilities (Hynes, 2012). However, studies have shown empirical evidence that established a linkage between usage of HRM practices and performance.

### **1.1.3 Political factors**

The devolved government is primarily geared towards achieving two main objectives to involve the people in governance and allow better supervision and implementation of policies at the grassroots level. The County Government constitutes of a county assembly and county executive. Members of County assembly are elected by citizens at county wards (Juma & Okibo, 2016). The responsibilities of the county assembly include exercising the powers of enacting laws at the county level, acting as an oversight instrument on the county executive and approval of plans and policies for smooth operation and management of resources and county institutions (GOK, 2013).

Even at the county level, democratic principles are observed. People elect the members of the county assembly at Ward level (Mwangi, 2016). All the same, additional slots are reserved for nominations. This ensures that membership is well distributed by gender,

marginalized groups and persons with disability. The county assembly is headed by a county Speaker who by law is not supposed to be a member of the assembly (GOK, 2015).

The county executive, on the other hand, is charged with the responsibility of exercising executive power at the county level, implementing laws for the administration of the county as well as carrying out other executive functions of the county (Lenka & George, 2013). The county executive gives the people an opportunity to be more actively involved in law-making. The county executive is led by a governor who is directly elected by the people at the county level. The appointment of the county executive members is placed under the mandate of the governor, and approval is subject to the county assembly. The executive members are answerable to the governor and shall not be members of the county assembly (GOK, 2016).

Currently, the Kenya devolved government consists of 47 counties representing the initially recognized districts and each one of them form a county government. Every county government shall further decentralize its services and coordinate its functions in order to efficiently serve the interests of the people of Kenya at the local level (GOK, 2015).

#### **1.1.4 Nairobi City County Health Facilities**

Nairobi is the capital and largest city of Kenya. The city and its surrounding area form the Nairobi city County the name Nairobi came from the Maasai phrase “Enkarenynobi” which translates to cool water as it was essentially uninhabited swamp until a supply

depot of the Uganda railways was built by the British in 1899 linking Mombasa and Uganda.

The County vision is to be a city of choice to invest, work and live in while the mission is to provide accessible and sustainable quality services enhancing community participation and creating a secure climate for political, social and economic development through the commitment of the motivated and dedicated team (Mwamuye & Nyamu, 2014). Core values of accountability, transparency, excellence, integrity, responsiveness equity and team work. After the elections of 2013, Nairobi City Council became Nairobi City County whose first governor was elected in March 2013. Nairobi City County is one of the 47 counties of Kenya, the smallest yet the most populous.

Since Kenya's independence in 1963 centralization has been the core of Kenya's governance and operation which has also been the case for the healthcare services (Mwangi, 2016). The promulgation of the Constitution of Kenya in 2010 resulted in two levels of Government which are, the National Government and the County government. Article 43 of the Constitution of Kenya 2010, entrenches the rights-based approach to health and provides for the devolution of health services to County governments. The devolved County Governments have the executive and legislative authority to raise revenue, to establish policies, to plan and to make own budgets for the purposes of delivering services closer to the people (GOK, 2014).

Nairobi City County government took office in April 2013 after Kenya's general elections of 2013 with a vision to make Nairobi "The city of choice for of all to invest, work and live in". Under the Legal Notice Number 137 of 9<sup>th</sup> August 2013 and in line with the County Governments Act 2012, the Transitional Authority formally transferred health services functions to the Nairobi City County Government:- promotion of primary health care, County health facilities and pharmacies, ambulance services, emergency response and patient referral system, licensing and control of undertakings that sell food to the public, enforcement of waste management policies, standards and regulations and veterinary services being to carry out, coordinate and oversee veterinary services (Health sector working group report, 2014).

According to Muchiri, Okello and Wagoki (2016), the provision of the healthcare is one of the function of the government to its citizens. The performance of the health facilities plays a critical role in the social economic security of the country. There has been a constraint in the public healthcare facilities that has led to the introduction of cost sharing schemes as well as the development of the private health care industry (Lencer, 2015). Private healthcare facilities thrive on closing gaps in the public health care regarding facilities, drugs availability, access to specialist health care professionals, and access to cutting-edge technology in health care (Kamau, 2014). Kenya's devolution has been described by World Bank as the most rapid and ambitious devolution processes going on in the world which may explain why theCounty government is facing various challenges.

## **1.2 Statement of the Problem**

Despite the inception of devolved healthcare in Nairobi City County performance of healthcare facilities are still slow paced. The Healthcare facilities are facing challenges as noted by world health organization WHO (2017) whereby service delivery system within the county are very poor as well as lack of operational efficiency which has led to massive resignation within the County and persistent industrial relations disputes which have been undermining healthcare facilities performance thus, customers opting for healthcare services across different borders (Achampong, 2012).

Several studies have indicated that HRM practices affect performance. Okello (2016) pointed out eight HRM practices and Policies and their relationship with job satisfaction. Hence performance of an organization can be attributed to various reasons. A study by Alunga (2016) observed that there is a high labour turnover among healthcare workers with over 2000 workers leaving the public health sector to join private and international healthcare due to lack of effective human resource management systems among public healthcare models. This has led to a national brain drain and lead to a decline in efficiency and effectiveness in County government healthcare facilities. Lowe (2012) reveal that firms that adopt certain HRMP in the implementation of the human resource practices, policies and practices tend to achieve superior results compared to competitors. Additionally, a study carried out in Kenya by Ojaka, Olango and Jarvis (2013) to determine factors affecting human resource practices and performance of health care workers in the country noted that lack of effective top management and leadership are among the main factors affecting health care management within counties. The study also

indicated that lack of facilities and high levels of corruption are part of problems facing devolved health care service delivery among counties in Kenya (Odhiambo, 2015).

From the above studies, it is evident that majority of the reviewed studies have focused on private sector organizations and HRM practices on performance of public facilities have received less consideration. This is a clear indication that studies to determine the effect of HRMP in organizations remains largely unexplored (Hameed & Hashim, 2016). It is against this background that this study seeks to establish the relationship between human resources practices such as employee compensation, employee training, employee resourcing and employment security in influencing the performance of devolved healthcare facilities in Nairobi City County, Kenya.

### **1.3 Objectives of the Study**

#### **1.3.1 General Objective**

The general objective of this study is to investigate the effect of human resources management practices on performance of devolved healthcare facilities in Nairobi City County, Kenya.

#### **1.3.2 Specific Objectives**

- (i) To determine whether employment security influence performance of devolved healthcare facilities in Nairobi City County, Kenya
- (ii) To establish whether employee resourcing impacts the performance of devolved healthcare facilities in Nairobi City County, Kenya



- (iii) To access whether employee training influence performance of devolved healthcare facilities in Nairobi City County, Kenya
- (iv) To establish whether employee compensation affects the performance of devolved healthcare facilities in Nairobi City County, Kenya
- (v) To determine the moderating effect of political factors on HRMP and performance of the devolved healthcare facilities in Nairobi City County, Kenya

#### **1.4 Hypothesis**

- H0<sub>1</sub>. There is no statistical effect on employment security and performance of devolved healthcare facilities in Nairobi City County, Kenya.
- H0<sub>2</sub>. There is no statistical effect on employee resourcing and performance of devolved healthcare facilities in Nairobi City County, Kenya.
- H0<sub>3</sub>. There is no statistical effect on employee training and performance of devolved healthcare facilities in Nairobi City County, Kenya.
- H0<sub>4</sub>. There is no statistical effect on employee compensation and performance of devolved healthcare facilities in Nairobi City County, Kenya.
- H0<sub>5</sub>. Political factors have no moderating effect on the relationship between human resource management practices and performance of devolved healthcare facilities in Nairobi City County, Kenya.

#### **1.5 The significance of the Study**

This study will propose appropriate HRM practices and the possible outcomes in the County healthcare facilities. It will also provide insights into adopting the “best fit”

practices as a response for County healthcare facilities in the near future. The larger community stands to benefit since improved performance of County healthcare contributes significantly to the growth of the Kenyan economy. This study will prompt policy makers and implementers to pay due attention to HRMP.

This study will add existing literature on HRMP, which will serve as a reference to those engaged in other related studies and create the leeway for further research into HRM and organisational performance. The findings and recommendations will provide a solid basis for County healthcare facilities to properly manage human resources and serve as an opportunity to improve performance with the existing workforce. The County Governments will gain from the study by understanding the challenges and the best practices in regards to the HRM practices. This will assist the County government to make necessary policy amendments in order to embrace the best practices while mitigating the challenges in HRM. Government policy makers will also use the findings of this study to make policies that will improve county healthcare performance.

## **1.6 The scope of the Study**

This study was carried out in Nairobi City County covering all 78 healthcare facilities in the County as healthcare facilities are key players in the Kenyan economy. The justification for this is that they are the key players that are supposed to drive County functions and ineffectiveness of County performance can directly be traced to the actions or inactions of employees working in these healthcare facilities. The time scope of the study is after the promulgation of the new constitution in October 2010 to year 2018. The

time scope is critical in the context that the county was established and healthcare facilities devolved.

### **1.7 Limitation of the Study**

The study is likely to be faced with the challenges on the collection of data due to the sensitivity of the human resource related information and as such, some respondents may be reluctant to give information for fear of victimization. Such challenges were addressed through the issuance of a consent statement that assures the respondents of anonymity and the use of the collected information for academic purposes only (Okello, 2016). There is shortage of relevant literature in Kenya relating to HRMP and performance in the healthcare institutions. However, the researcher used studies done in the developed countries and other African countries.

Due to scarce secondary data, this study used self-report data based on the perception of staff specifically on performance measures. Respondents were hesitant to disclose some information, particularly on compensation due to the confidentiality associated with the information. The researcher, however, assured the respondents that the information would only be used for academic research only. To allay their fears, the researcher also produces an introductory letter from the University to confirm that the data requested would only be used for academic reasons thus providing an assurance of confidentiality

## **1.8 Organization of the Study**

This thesis project is divided into three chapters. Chapter one comprise the introduction, of the research problem, research questions, and hypotheses. The significance, scope, and limitations are also outlined, concluding with the organization of the study. Chapter two builds a theoretical foundation upon which the research is based on reviewing the relevant literature. The theories of the study and links to relevant empirical discussions were presented. The key concepts used in this study was discussed and presented as a conceptual framework. Finally, gaps in the literature were identified and were linked to the research problem of this study. Chapter three details the research methodology employed in this study. It covers research issues and research design, data collection, sample selection, and size, data analysis, research validity and reliability as well as ethical issues. Chapter four comprised of the findings of the study and discussion. Chapter five, which is the final one comprised of summary, conclusions, contribution of the study and policy recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the theoretical as well as empirical literature on human resource practices on performance of devolved healthcare facilities in Nairobi City County. It begins with a review of three theories, followed by an empirical review of the literature regarding the main concepts used in this study. A summary of the relevant literature is tabulated and subsequently, gaps within the literature are identified and linked to the research problem of this study.

#### **2.2 Theoretical Review**

This part contains the theories linked and support this study which are, outcome theory, human capital theory and resource based view theory.

##### **2.2.1 Outcomes Theory**

Outcomes theory was developed by Paul Duignan in 2011. This theory is made up of several key conceptual frameworks and a set of principles. The most important framework is Duignan's Outcomes System Diagram. The diagram identifies seven different building-blocks of outcomes systems. In the case of an outcomes system, there are a different set of the building - blocks which are necessary for outcomes systems to function properly. Duignan (2011) in his outcomes theory provides an integrated perspective on the functioning and optimal design of outcomes system, which attempts to specify or measure targets for organizations. This theory has the features of influence

ability, controllability, measurability, attribute ability and accountability, which enables one to be very clear about the type of outcomes to allow into outcome models.

Outcome model standards sets out the basis of any systematic outcome analysis and considers outcomes, not activities, cascading set of causes in the real world, keeping outcomes short, putting outcomes in a hierarchical order, keeping measurements/indicators separate from the outcomes they are attempting to measure, putting value in front of the outcome and including both high-priority and lower priority outcomes. The researcher conceptualized the set of issues common across outcome system, which include strategic planning, managing for outcomes, monitoring, performance management, programme evaluation, evidence-based practice, delegation, reporting and accountability arrangements.

Outcomes systems go under various names such as strategic plans, management by results, results-based management systems, outcomes-focused management systems, accountability systems, evidence-based practice systems, and best-practice systems. In addition, outcomes issues are dealt with in traditional areas such as strategic planning, business planning and risk management.

Outcomes theory theorizes a sub-set of topics covered in diverse ways in other disciplines such as performance management, organizational development, program evaluation, policy analysis, economics and the other social sciences. The different treatment of outcomes issues in different technical languages in these different disciplines means that it is hard for those building outcomes systems to gain quick access to a generic body of

principles about how to set up outcomes systems and fix issues with existing outcomes systems.

### **2.2.2 Human Capital Theory**

The Human Capital Theory according to Schultz (1961) provides a perspective that value addition by people within an organization can contribute to better firm Performance. Human capital theory regards people as assets and not a cost within an organization. Human capital, according to Bontis (1998), represents the human factor in the organizations the combined intelligence, skills, and expertise that gives the organization its distinct character. The human capital theory emphasizes the added value that people can contribute to an organization. Boxall (1996) refers to this situation as one that confers 'human capital advantage.' Human capital is an intangible asset – it is not owned by the firm that employs it. Despite the lack of formal ownership of human capital, firms can and do gain from high levels of employee training and knowledge of their employees through strategies like creation learning corporate cultures or vocabulary terms to create cohesion.

The assumptions of human capital theory revolve around the immeasurable nature of its many forms. Economic capital can be measured by its ability to produce wages, however, an intrinsic value of human capital exists although it is not always measurable. Secondly, human capital may be stored but not fully utilized at all times consequently making it difficult to observe and study consistently (Boxall, 1996).

Human capital is often subdivided into categories such as cultural capital, social capital, economic capital, and symbolic capital. Human capital is developed in many ways. Economic capital is typically measured by the ability to perform labor which results in an economic value. Education, job employee training, and marketable talents are all ways in which humans increase their ability to acquire knowledge and generate higher wages. Social capital and cultural capital refer to the relationships and influence individuals contribute to society. Although social, cultural, and symbolic capital is very difficult to measure, understanding their existence and value is still vital. Each type of human capital is important and the combination of all types generate total human capital (Boxall, 1996).

### **2.2.3 Resource Based View Theory**

This theory was pioneered by Penrose (1959). It was further extended by Wernerfelt (1984), Rumelt (1984), Derrick & Cool (1989) and Barney (1996). This theory is currently predominantly used by researchers studying HRM (Wright, Dunford & Snell, 2001). Barney (1991) suggested that an organization gains performance by not only acquiring but also developing, putting together, and effectively deploying its physical, human, and organizational resources in techniques that put in a unique value and that are difficult for competitors to imitate. The resource-based view states that performance comes from the internal resources that are owned by a firm (Wernerfelt, 2004).

This theory is concerned with the connection between internal resources, strategy and the performance of the organization. It focuses on the encouragement of sustained performance through the development of human capital rather than just aligning human



resources with current strategic goals (Torrington, 2005). The argument that internal resources to an organization can result to performance is a shift from earlier suggestions of strategy which focuses on the external environment and such factors as customers, industry, and competitors (Miles and Snow 2004; Porter 2005). RBV provides a theoretical enlightenment of how the human resources of an organization can improve productivity and performance.

According to Wright, McMahan, and McWilliams (2004), resources that are valuable, rare, inimitable and non-substitutable lead to performance. It is the human resources of an organization that make up the resource that lead to performance. From this outlook, HR practices or HR systems possibly will without difficulty be duplicated by other organizations and only the knowledge skills and abilities possessed by individuals within a firm would meet the criterion outlined by Barney (1991).

Lado and Wilson (1994) argued that HR practices put together into a general HR system can be exceptional and not easy to duplicate and constitute a resource satisfying the conditions necessary for sustained performance. While both views appear to be acknowledged in the literature, majority of HRM researchers using RBV as theoretical framework have paid attention to the HR system or overarching HR philosophy as a resource functioning to develop the human capital of the firm (Boxall, 1998).

## **2.3 Empirical Literature Review**

### **2.3.1 Employment Security and Performance of Devolved Healthcare Facilities**

Employment security is the assurance of an employee's job continuity due to the general economic conditions of a country (James, 2012). It's concerned with the possibility or probability of an individual keeping his or her job (Adebayo & Lucky, 2012). It deals with the chances of employees keeping jobs in order not to be unemployed (Simon, 2011). Jobs which are not backed by an indefinite contract or cannot be guaranteed for a reasonable period are deemed to lack employment security. It's the assurance from the company or organization that employees will remain with them for a reasonable time without being wrongfully dismissed (Adebayo & Lucky, 2012 Simon, 2011).

Quite a number of factors such as employment contract, collective bargaining agreement, labour legislation and personal factors such as education, work experience, job functional area, work industry, work location among others play an important role in determining some individual services and impacts personal security (Adebayo & Lucky, 2012). In another extreme, essential or necessary skills and past experience required by the employers and subject to the current economic conditions and business environment could guarantee an individual employment security (Adebayo & Lucky, 2012).

Probst (2002) developed a conceptual model of the background factors and consequences of employment security. Background factors affecting employment security include worker characteristics, job characteristics, organizational change and job technology change. Consequences of lack of employment security include psychological health, physical health, organizational withdrawal, unionization activity, organizational

commitment and job stress. Job involvement, cultural values and procedural justices moderate employment security perceptions and attitudes.

Buitendach & Witte (2005) assessed the relationship between job insecurity, job satisfaction and effective organizational commitment of maintenance of employees in a parastatal in Gauteng. The study results revealed small but significant relationships between job insecurity and extrinsic job satisfaction and job insecurity and affective organizational commitment. Job satisfaction was also found to mediate the relationship between job insecurity and effective organizational commitment.

Ferris (1990) made one of the first major attempts to examine how effective management of human resources might contribute to positive performance. In a study of 2,236 firms from the U.S. construction industry, the Ferris group addressed the roles played by three important organizational functions and activities on firm performance, the status, and importance of the HRM function, the role of unions and strategic planning. The research found out that firms that had HRM departments were generally high performers (i.e. larger total sales volume), firms that had a higher percentage of the workforce unionized also performed better than firms with a lower percentage and, finally, firms performed better when they engaged in more formalized strategic planning.

However, today's business environments are far from providing employment security to employees. For example, in an analysis of involuntary job loss in France between 1982 and 2002, Givord & Maurin (2004) found evidence that technological changes contribute to keeping the employees for shorter periods of time, thus increasing job insecurity. When companies provide employment security, then empirical evidence suggests that it has a

positive effect on firm performance. Further Pfeffer (1998), Ahmad and Schroeder (2003) found that among others, employment security impacts operational performance indirectly through organizational commitment.

David (2002) examined the relationship between strategic HRM and organizational financial and human resource performance in Singapore. Using descriptive statistics and regression to analyse the data, the results indicated that with the exception of team-based work and performance-based pay, all the other strategic HRM components have a positive impact on the financial performance of a firm.

### **2.3.2 Employee Resourcing and Performance of Devolved Healthcare Facilities**

Employee resourcing is the rigor of hiring as indicated by applications per vacancy Fiorito, Bozeman, Young, & Meurs (2007). Employee resourcing involves several activities, which include careful matching between job applicant and job requirements, a conscious attempt to attract the best talent from the job market, as well as offering higher Employee compensation to retain the talent in the organization Fiorito, Bozeman, Young, & Meurs (2007). Employee resourcing is the process of determining which job applicant fits the jobs. It is matching of people with jobs. Selection in many organizations is made by line managers and in making decisions they tend to rely on the job requirements. The selection process involves activities like interviews, employment history, background checks, physical examination, and placement. Organizations have also attempted three of major important organizational inducements namely organizational Employee compensation systems, career opportunities and organizational reputation (Lloyd, 2000).

Schuster (1986) argued that Employee resourcing is a key practice that creates profits. Huselid (1995) examined HR practices of high performance companies and found that attracting and selecting the right employees to increase the employee productivity, boost performance, and contribute to reducing turnover. Cohen and Pfeffer (1986) argued that hiring standards reflect not only organizations' skill requirements but also the preferences of various groups for such standards and ability to implement these preferences. Michie & Quinn (2001) proposed that a possible indirect link between Employee resourcing and performance can be the forging of internal bonds between managers and employees that create the right culture for productivity growth. Collins and Clark (2003) argued that practice of employee resourcing results in sales growth. Paul & Anantharaman (2003) pointed out that an effective hiring process ensures the presence of employees with the right qualifications, leading to the production of quality products and consequently in an increase of economic performance.

Cho, Woods, Jang, & Erdem, (2005) examined pre-employment tests as a key component of employee resourcing and found that when employed, these tests can select employees that stay with a company longer. Passing pre-employment tests may give an applicant a stronger sense of belonging to the company, resulting in higher degrees of commitment if employed. Cardon and Stevens (2004) pointed out that for small companies recruiting is often challenging. This can be due to several reasons such as limited financial and material resources and jobs with unclear boundaries responsibilities, which decreases the potential to hire qualified candidates.

Dimba & K'Obonyo (2009) investigated the nature of the effect of HRM practices on performance. The study sought to determine whether the effect of human resource management practices on performance is direct or indirect through employee motivation and whether employee cultural orientations moderate the relationship between strategic human resource practices and employee motivation. 50 multinational manufacturing companies in Kenya were sampled. One HR manager, two -line managers and three employees from each organization were picked for the survey. The study adopted the measures developed by Hofstede and Huslid. Using regression analysis, the results indicate that all the variables of HRM practices, except recruitment and selection, were positive and significantly correlated with performance; relationship between HRM practices and firm motivation did not depend on employee cultural orientations when cultural values were considered; motivation mediated relationship between HRM practices and firm performance and motivation affected firm performance.

Okpara& Pamela (2008) examined the extent to which organizations in Nigeria use various HRM practice and the perceived challenges and prospects of these practices. Data was collected from 253 managers in 12 selected companies in 10 cities. Research findings reveal that HRM practices, such as employee training, recruitment, Employee compensation, performance appraisal and reward systems issues of tribalism, Aids, employee training, and corruption are some of the challenges facing HRM in Nigeria.

### **2.3.3 Employee training and Performance of Devolved Healthcare Facilities**

Employee training focuses on learning skills, knowledge, and attitudes required to initially perform a job or task or to improve upon the performance of a current job or task,

while development activities are not job related, but concentrate on broadening employee's horizons (Nadler, 1986). Education, which focuses on learning new skills, knowledge, and attitudes to be used in future work, also deserves mention (Nadler and Wiggs, 1986). Employee training can be used in a variety of ways, including orienting and informing employees, developing desired skills, preventing accidents through safety employee training, supplying professional and technical education, and providing supervisory employee training and executive. For instance, providing employee training and development to employees, such as on-the-job employee training, job rotation, coaching, mentoring, in-basket employee training, case study etc. can help to improve knowledge, skills, experience, abilities, and motivation of employees (Pfeffer, 1998).

Barringer, Jones, & Neubaum (2005) compared rapid-growth and slow-growth firms and found that rapid-growth firms depend heavily on the abilities and efforts of employees to maintain growth-oriented strategies. Fast-growth firms used employee training programs to achieve objectives and emphasized employee development to a significantly greater extent than slow-growth counterparts. Consequently, employee training and employee development practices are more common in rapid-growth firms than slow growth ones.

Miller (2006) examined growth strategies in retail facilities and suggested that modern retailers should place more emphasis on policies and practices that could contribute to staff retention, rather than on the immediacy of recruitment and selection. Zhu (2004) reviewed changes in the area of human resource development in Japan and observed that some companies and industries have shifted towards a more strategic approach that emphasizes the impact of effective learning at both individual and organizational levels

on long-term organizational competitiveness. Huselid (1995) found that the education and development of employees have a significant effect both on the personnel productivity and the short-term and long-term indicators of performance.

Ngo (1998) investigated the effects of country origins on HR practices of firms from the United States, Great Britain, Japan and Hong Kong operating in Hong Kong. Study results showed that structural employee training and retention-oriented Employee compensation were related to various measures of firm performance. Paul & Anantharaman (2003), in searching the links between human resource practices and performance, proposed that career development programs demonstrate a true interest of the organization for the growth of its personnel, which, in turn, stimulates commitment and devotion, which, subsequently, raises personnel productivity and consequently economic output.

Cerio Merino-Diaz, (2003) examined the manufacturing industry in Spain and found that quality strategic management practices related to product design and development, together with human resource practices, are the most significant predictors of operational performance. Michie & Quinn (2001) investigated the relationships between UK firms' use of flexible work practices and corporate performance and suggested that low levels of employee training are negatively correlated with corporate performance.

In a comparative study of HRM practices among American-owned, Taiwan-owned, and Japanese-owned firms, Huang (1998) examines the strategic level of HRM at 315 Taiwanese business firms. Using the General Linear Model (GLM) and Scheffe multi-range test as methods of statistical analysis, the findings indicate that American-owned



businesses were discovered to engage in HRMP more frequently than Japanese- or Taiwan-owned enterprises. A positive relationship was also found between the number of capital resources available to firms and the extent to which they practiced HRM. Huang also reported that firms engaging in HRM received a higher rating than other firms on the indices of organizational morale, financial performance, and overall performance.

#### **2.3.4 Employee Compensation and Performance of Devolved Healthcare Facilities**

There is scarce evidence on the effects of employee compensation on firm growth. Empirical studies on the relationship between performance - related pay and company performance have generally found a positive relationship, but a growing body of empirical evidence suggests that it does not just pay level that matters, but pay structure as well (Wimbush, 2005; Singh, 2005).

Employee compensation is the total amount of both the financial and the non-financial rewards that companies give employees in return for work performed (Williams, 2008). Employee compensation can be explained in broad terms others than wage or salary. It can consist of commissions, fringe benefits, bonuses, reimbursements, and expense allowances (Vlachos, 2009).

Singh (2004) investigated the relationship between HRM practices and firm level performance in India. 359 firms were drawn from firms listed in the Centre for Monitoring Indian Economy (CMIE) database. Of these 359 firms, 82 responded positively to the survey. Using regression and correlation analysis, the study found a significant relationship between the two HRM practices, namely, employee training and Employee compensation, and perceived organizational and market performance of firms.

Som (2008) sampled 69 Indian companies with a view to examining the impact of innovative HRM practices on firm performance. Using descriptive statistics and regression analysis, results indicate innovative recruitment and Employee compensation practices have a positive significant relationship with firm performance. Results also show that recruitment, role of the HR department and employee compensation practices seem to be significantly changing within the Indian firms in the context of Indian economic liberalization. The synergy between innovative HRM practices was not found to be significant in enhancing performance during the liberalization process.

Barringer, Jones, & Neubaum (2005) conducted a quantitative content analysis of the narrative descriptions of 50 rapid-growth firms and a comparison group of 50 slow-growth companies. Results demonstrated that employee incentives differentiated the rapid-growth from the slow-growth firms. Firms that were eager to achieve rapid-growth provided employees with financial incentives and stock options as part of employee compensation packages. In doing so, firms managed to elicit high levels of performance from employees, provide employees the feeling that they have an ownership interest in the firm, attract and retain high-quality employees, and shift a portion of a firm's business risk to the employees.

Delery and Doty (1996) identified performance-based employee compensation as the single strongest predictor of firm performance. Both performance-based employee compensation and merit-based promotion can be viewed as ingredients in organizational incentive systems that encourage individual performance and retention (Uen&Chien, 2004). Collins and Clark (2003) studied 73 high-technology firms and showed that the

relationships between the HR practices and organization performance (sales growth and stock growth) were mediated through top managers' social networks.

Cho, Woods, Jang, & Erdem, (2005) suggested that incentive plans are effective in decreasing turnover rates. Banker, Lee, Potter, Srinivasan, (2001) conducted a longitudinal study of the effectiveness of incentive plans in the hotel industry and found that incentive plans were related to higher revenues, increased profits, and decreased cost. Paul & Anantharaman (2003) found that employee compensation and incentives directly affect operational performance. To be effective, employee compensation practices and policies must be aligned with organizational objectives. While performance-based employee compensation can motivate employees, sometimes employees perceive it as a management mechanism to control behaviour (Lawler & Rhode, 1976). In such a case, employees are less loyal and committed, thus employee compensation plans have the opposite of the desired outcome (Ahmad and Schroeder, 2003; Rodriguez & Ventura, 2003).

### **2.3.5 Political Factor and Organizational Performance**

According to Hoffman (2000), a key factor that has been found to influence performance is politics. This study shall consequently seek to establish the moderating role of politics on the relationship between HRM practices and performance of devolved Healthcare facilities in Nairobi City County. Oyugi, 2005 appropriate political good will, and support are necessary ingredients for the success of public facilities reforms. Outright manipulation by legislators and other interest groups where elected leaders can be ruthless and act on own interest where the desires and interests of the elected leaders take the lead.

Politics is very important for normal macroeconomic balance and conducive performance. (Husain, 2009, Shahzad, 2012). Politics is among the least predictable elements since the country has to have an election every five years which makes the policies and procedures to change with the change of guard (Kenya Constitution, 2010). Political influence differs, thus affecting policies, decision making, technology and management of the County.

Counties have not prioritized healthcare in expenditure. Each County in Kenya struggles to provide healthcare services for its constituents. For the success of healthcare, there needs to be a strategic measure as it is evident devolution is not only about enacting legal measures or implementing policies. It's about bringing the County government into the unity of purpose with all the stake holders whereby it has to put clients who are the general public at the centre of decisions and duties. More often than not, county officials see themselves as independent entities that are only answerable to themselves. (Wario, 2017).

Chen, Mulaki, & Williamson, 2014 argue that major human resource management questions such as personnel transfer, salary payment, and terms of service are affected by county politics. These questions highlight on-going conflicts among county political leadership and health workers. Counties seek the authority to hire, release, and set standards for health workers in order to maximize both power and autonomy. Health workers, seeking to preserve their terms of service, ensure timely payment of salaries and retain control over their professions.

Publicly elected leaders often win positions, not because of management ability, but because of campaigns based on political dialogue, promises, and popularity (Selzer,

2006). Often election success is based purely on popularity, dissatisfaction with incumbents, image, or popular issues of the day (Borgne & Lockwood, 2006). Researchers have yet to agree on the best practice for selecting individuals for positions of legal influence that require both managing the organization and interpreting and acting within the law (Choi, Gulati & Posner, 2008; Czarnecki, 2005; Nash, 2006; Wilson, 2006). Appointed and elected leaders may face term limits depending on the legislative limitations imposed on the position (Moncrief, 2005). Consequently, elected officials typically have only a few years to satisfy their campaign promises and to create the foundational cornerstone for their grander political ambitions (Bennett, 2005; Borgne & Lockwood, 2006; Moncrief, 2005; Walker, 2005).

In contrast to the elected leader, employees in these organizations often hold permanent roles, maintaining positions throughout numerous changes to the executive guard. To career employees, those typically customer-facing and in support positions, the perception and reception of a leader's subsequent management strategy may drive the general success or failure of an administration (Perkinson, 2006). This is important, as an elected leader's administration often depends most on the ability of middle managers to manage these employees strategically on behalf of the leader (Boyne, James, John, & Petrovsky, 2010). Understanding leaders' management strategies are particularly critical for staff in government offices where leaders are elected for a finite period, as policies and directives may change periodically with new leaders. Borins (2000) noted that elected officials believe reinvention of goals and strategies, by relaxing organizational control, holds more risks than gains. Thus, a potential risk could be that officials might encourage

the status quo rather than innovate employees (Buchen, 2005; McCann, Hassard, & Morris, 2004).

#### **2.4 Summary of Empirical Review and Knowledge Gaps**

This section contains a summary of literature reviewed regarding HRMP on organization performance. Table 2.1 presents a summary of the empirical reviews as well as the important research gaps that have been identified in this section of the study.

**Table: 2.1: Summary of Empirical Review and Knowledge Gaps**

<b>Authors and Year</b>	<b>Topic of study</b>	<b>Study variables</b>	<b>Findings</b>	<b>Knowledge gaps</b>
Buitendach and Witte (2005)	Assessed the relationship between employment security, job satisfaction and effective organizational commitment of maintenance of workers in a parastatal in Gauteng.	Employment security	The study results revealed small but significant relationships between employment security and extrinsic job satisfaction and employment security and affective organizational commitment.	The study focused on employment security only while the current study researched on the four HRMPs
Cho, Woods, Jang, & Erdem, (2005)	Examined pre-employment tests as a key component of employee resourcing.	Employee resourcing	Found that when employed, these tests can select employees that stay with a company longer. Passing pre-employment tests may give an applicant a stronger sense of belonging to the company, resulting in higher degrees of commitment if employed	The study focused on employee resourcing only while the current study researched on the four HRMPs
Kiiru (2015)	Examined the relationship between strategic HRM and performance in parastatals in Kenya	All the other strategic HRM components.	The results indicated that with the exception of team-based work and performance-based pay, all the other strategic HRM components have a positive	The focus was on strategic HRMPs while this study focuses on HRMPs

			impact on the financial performance of a firm.	
Dimba & K'Óbonyo (2009)	Investigated the nature of the effect of HRM practices on performance	HRM practices	All the variables of HRM practices, except recruitment and selection, had a positive and significantly association with performance.	The study used cultural orientation as the moderating factor while this study will use political factors.
Ferris (1990)	Effective management of human resources on the performance of the U.S. construction industry.	Organizational functions and activities, the status and importance of the HRM function, the role of unions and strategic planning.	The research found out that firms that had HRM departments were generally high performers, firms that had a higher percentage of the workforce unionized also performed better than firms with a lower percentage and, finally, firms performed better when they engaged in more formalized strategic planning.	Focused only on the direct relationship between HR and performance while this current study included moderator of political factors.
Michie and Quinn (2001)	Investigated the relationships between UK firms' use of flexible work practices and corporate performance	Work practices	Suggested that low levels of employee training are negatively correlated with corporate performance.	The study was not clear on what practices were studied. While this study will focus on specific HRMPs



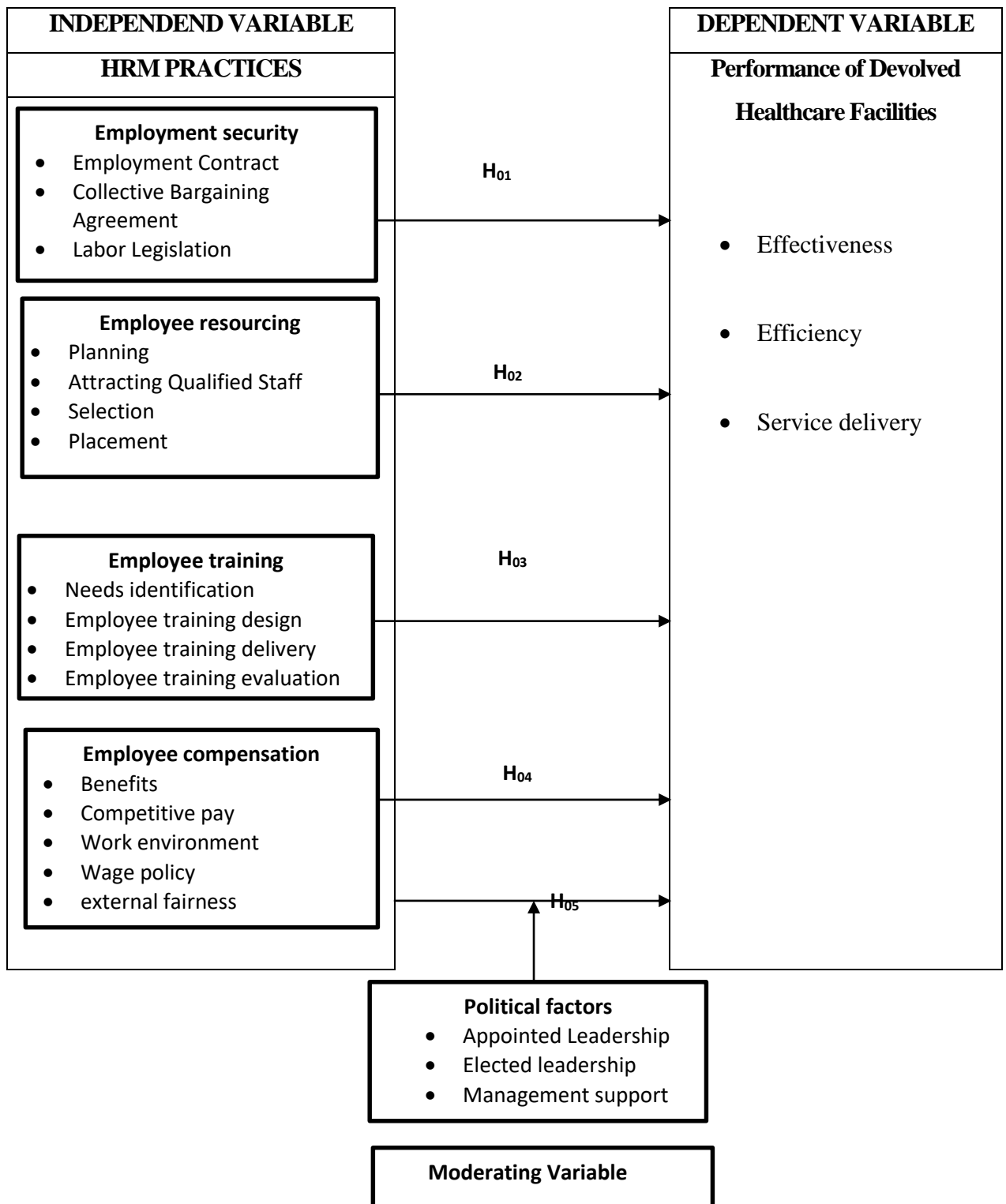
Ngo (1998)	Investigated the effects of country origins on the HR practices of firms from the United States, Great Britain, Japan and Hong Kong	Employee training and compensation	Study results showed that structural employee training and retention-oriented Employee compensation were related to various measures of firm performance	Focused only on two variables while this study will focus on five variables
Okpara and Pamela (2008)	Examined the extent to which organizations in Nigeria use various HRM practice and the perceived challenges and prospects of these practices.	Employee training, recruitment, Employee compensation.	HRM practices, such as employee training, recruitment, Employee compensation, performance appraisal and reward systems issues of tribalism, Aids, employee training, and corruption are some of the challenges facing HRM	The study was carried out in Nigeria while this study will was carried out in Kenya.
Paul & Anantharaman (2003)	Human resource practices and performance	Career development	Career development programs demonstrate a true interest of the organization for the growth of its personnel, which, in turn, stimulates commitment and devotion, which, subsequently, raises personnel productivity and consequently economic output.	Studied career development while the current study studied four variables on performance
Singh (2004)	Investigated the relationship between six	HRM practices	The study found a significant relationship between the two HRM practices, namely,	The study was done in India while the current study was

	HRM practices and firm level performance in India.		employee training and Employee compensation, and perceived organizational and market performance of firms	carried out in Kenyan context.
Som (2008)	Examining the impact of innovative HRM practices on firm performance of Indian companies.	recruitment and Employee compensation	recruitment and Employee compensation practices have a positive significant relationship with firm performance	Focused on recruitment and Employee compensation while this study focuses on a set of Human Resource Practices

(Source: Researcher, 2017)

## **2.5 Conceptual Framework**

Human resource practices based on the major functions of HRM such as employment security, employee resourcing, employee training and employee compensation are included in this study. Human resource practices based on the functional areas have been demonstrated, theoretically or empirically to affect organization performance positively in previous studies. In this study, an examination of alternative dependent variables was done to provide important confirmatory information on the association between human resource and performance. Performance is measured by the following dependent variables efficiency, effectiveness and service delivery. The independent variables are employee resourcing, employee training employment security and employee compensation. The items were derived from a comprehensive review of the literature on HRM practices that are considered to relate to performance.



**Figure: 2.1: Conceptual Framework**

**Source: Researcher, 2017**

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the research methodology which was used to carry out the study. It includes research design, target population, sampling and sample size, data collection, validity, and reliability. In addition, the techniques that were employed in analysing data to answer the research questions as well as the ethical issues to put into consideration.

#### **3.2 Research philosophy**

There are two main philosophies in social sciences. These are positivism and phenomenological (Coopers & Schindler, 2004). This study adopted positivism research philosophy and its literature is characterized by testing of hypothesis from existing theories through measurement of observable social realities, using data originally collected from the field (Saunders, Lewis and Thornhill, 2007; Ericksson & Kovalainen, 2008).

This philosophy is upon values of reason, truths and validity, and there is a focus purely on facts measured empirically on variables using quantitative methods survey, and statistical analysis of the data (Thorpe & Jackson, 2008). Under this paradigm, theoretical models were developed that can be generalized to explain the cause-and-effect relationships (Saunders, Lewis and Thornhill, 2007).

### **3.3 Research Design**

There is no single design that exists in isolation (Saunders, Lewis and Thornhill, 2007). Consequently, combining different designs in one study enables triangulation and increases the validity of the findings. The study used descriptive research design to establish the relationship between human resource practices and the performance of devolved healthcare facilities in Nairobi City County, Kenya. A descriptive design allowed the researcher to describe HRMP adopted by facilities and make specific predictions on how much change was caused by the predictor variable and whether the effect was significant (Swanson & Holton, 2005).

### **3.4 Empirical Model**

Multiple regression models attempt to determine whether a group of variables together predict a given dependent variable (James & Frank, 1985). A multiple regression model separates each individual variable from the rest allowing each to have its own coefficient describing its relationship to the dependent variable. This model was consequently adopted because the study had more than one variable.

Performance in the County healthcare facilities was regressed against four variables of the HRM practices namely employment security, employee resourcing, and employee training and employee compensation. Multiple linear regressions were used to assess the combined effects of all independent variables on the dependent variable and a step-by-step regression was used to analyse the moderating variable effect on the relationship between the independent and dependent variable.

The model was presented in a linear equation form. Using multiple linear regression analysis, it was possible to calculate the values of the constant coefficient 0 and the slope coefficients from data already collected.

The overall equation of the effect of independent variables on performance:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \dots \dots \dots \text{Model 3.1}$$

Where Y = Performance

$\beta_0$  = constant (coefficient of intercept)

$X_1$  = Employment security

$X_2$  = Employee resourcing

$X_3$  = Employee training

$X_4$  = Employee compensation

$\beta_1, \dots, \beta_4$  = regression coefficient of four variables

### **3.4.1 Relationship between Independent Variables and Moderating Variable on Performance**

To establish the effect of political factors as a moderating variable on the relationship between the HRMP and performance of county healthcare facilities or determine whether it is simply an explanatory variable, the following step- wise regressions was estimated: First, model (3.1) was estimated as the base model to determine the relationship between the dependent variable and the independent variables. Secondly, model (3.2) which included political factors as the moderating variable was estimated.

$$\text{Performance} = \beta_0 + \beta_1 \text{HRMP} + \beta_2 P + \epsilon \dots \dots \dots 3.2$$

Where;

HRMP= Human resource management practices

P= political factors

Finally, model (3.3) was estimated to give the direction and effect of the moderator on the independent variables and its total effect on the dependent variable.

$$\text{Performance} = \beta_0 + \beta_1 \text{HRMP} + \beta_2 P + \beta_3 P \cdot \text{HRMP} + e \dots\dots\dots$$

....3.3

Where,

P. HRMP = Political factors × Human resource management practices

If political factors are significant when introduced into a model (3.1) then, this explains the first condition of explanatory where all variables should be significant (Mackinnon *et al.*, 2007). Model (3.2) was estimated where products of political factors and HRMP was used to estimate the moderation effects. If the coefficient in the model (3.2) is not significant and the political factors in the model (3.3) are not significant, there is no moderating effect (Mackinnon *et al.*, 2007). That way, political factors was an explanatory variable.

### 3.5 Target Population

The study population comprised the entire 78 health facilities in Nairobi City County as per the Nairobi City County health report of 2016 (appendix II). According to Mugenda and Mugenda (2008), a target population is that population which the researcher wants to generalize results.



Accordingly, the respondents for this study were the employees of healthcare facilities. Hence, the unit of analysis was the 78 health facilities and the unit of observation was 3052 employees.

**Table 3.2: Target Population**

Level of staff target	No of staff	Percentage %
Top Management	355	11.6
Medical officers	1970	64.5
Support staff	727	23.9
<b>Total</b>	<b>3,052</b>	<b>100%</b>

**Source: GOK (2016)**

### 3.5 Sampling Procedure and Sample Size

The study used a proportionate sampling technique to select the required sample size. The sample size was determined by use of Yamane (1967) formula for calculating sample size.

The formula is  $n = N / (1 + N(e)^2)$

Where n = sample size, N = population size e = error term

N = 3052,  $\epsilon = .05$  hence,

$n = 3052 / (1 + 3,052 (.05)^2)$

= **354**

**Table 3.3: Distribution of Sample Size**

Level of staff target	Frequency	Multiplier effect	Sample size	%
Top Management	355	0.116	41	11.6
Medical officers	1970	0.116	229	64.5
Support staff	727	0.116	84	23.9
<b>Total</b>	<b>3,052</b>	<b>0.116</b>	<b>354</b>	<b>100%</b>

**Source: Author (2017)**

Table 3.3 the multiplier effect is derived by dividing the Yamane sample size of 354 by the total target population of 3,052 to arrive at the multiplying effect of 0.116 used in each strata of the level of staff target as shown in table 4.3.

The final respondents to the questionnaire were picked using simple random sampling in each strata of the sample size.

### 3.6 Operationalization and Measurement of Variables

**Table 3.4: Measurement of Variables**

Category	Variable	Indicators	Operationalization	Measurement
Dependent Variable	Performance	Effectiveness	Achievement of a firm's immediate objectives	Aggregated index of 1-5 point scale
		Efficiency	Optimal transformation activities of inputs into outputs	
		Services Delivery	Services meeting the standards required by stakeholders	
Independent Variable	Employment security	Employment Contract	Type of contract employee is engaged	Aggregated index of 1-5 point scale
		Collective Bargaining Agreement	Agreements binding employees and workers union	
		Labour Legislation	Laws enacted by the state on labour relations	
Independent Variable	Employee resourcing	Planning	Identifying requirements in advance	Aggregated index of 1-5 point scale
		Attracting Qualified Staff	Finding qualified staff	

		Selection	Choosing from a set criterion	
		Placement	Matching jobs to employees	
Independent Variable	Employee training	Needs identification	Identify staff needs to improve performance	Aggregated index of 1-5 point scale
		Employee training design	The layout of the employee training	
		Employee training delivery	Mode of delivering employee training to staff	
		Employee training evaluation	Evaluating employee training done	
Independent Variable	Employee compensation	Benefits	Financial or non-financial incentives	Aggregated index of 1-5 point scale
		Competitive pay	Pay to attract the best talent	
		Work Environment	Conditions of the work place	
		Wage policy	Rules on employee compensation	
		External fairness	Comparison with others in the same field	
Moderating Variable	Political factors	Appointed Leadership	Leaders that are picked to lead and make decisions in the County healthcare i.e. the County board	Aggregated index of 1-5 point scale
		Elected leadership	Leaders elected by voters i.e. governor	

		Management support	Senior employees who make decisions on behalf of the County	
--	--	--------------------	---	--

(Source: Researcher, 2017)

**Table 3.5: Test of Hypothesis Table**

Objectives	Hypothesis	Statistical approach	Research question	Interpretation
To determine whether employment security affects the performance of the devolved healthcare facilities in Nairobi City County, Kenya	There is no relationship between employment security and performance of devolved healthcare facilities in Nairobi City County, Kenya.	$Y = \beta_0 + \beta_1 S + \varepsilon$	Section B. Question 6 part 1-5	Adjusted $r^2$ F-value Level of significant 0.05 $P \leq 0.05$ reject null hypotheses
To establish whether employee resourcing affects the performance of the devolved healthcare facilities in Nairobi City County, Kenya.	There is no relationship between employee resourcing and performance of devolved healthcare facilities in Nairobi City County, Kenya.	$Y = \beta_0 + \beta_1 R + \varepsilon$	Section B. Question 6 part 6-10	Adjusted $r^2$ F-value Level of significant 0.05 $P \leq 0.05$ reject null hypotheses
To access whether employee training	There is no relationship between employee training and performance of	$Y = \beta_0 + \beta_1 T + \varepsilon$	Section B. Question	Adjusted $r^2$ F-value Level of significant

affects the performance of the devolved healthcare facilities in Nairobi City County, Kenya.	devolved healthcare facilities in Nairobi City County, Kenya.		6 part 11-16	0.05 P≤0.05 reject null hypotheses
To establish whether employee compensation affects the performance of the devolved healthcare facilities in Nairobi City County, Kenya.	There is no relationship between employee compensation and performance of devolved healthcare facilities in Nairobi City County, Kenya.	$Y = \beta_0 + \beta_1 C + \varepsilon$	Section B. Question 6 part 17-21	Adjusted $r^2$ F-value Level of significant 0.05 P≤0.05 reject null hypotheses
To determine the moderating effect of political factors on HRMP and performance of the devolved healthcare facilities in Nairobi City County, Kenya	Political factors have no moderating effect on the relationship between human resource management practices and performance of devolved healthcare facilities in Nairobi City County, Kenya.	$Y = \beta_0 + \beta_1 HRMP + \beta_2 HRMP * P + \varepsilon$	Section B. Question 7	Adjusted $r^2$ F-value Level of significant 0.05 P≤0.05 reject null hypotheses

(Source: Researcher, 2017)

### **3.7 Validity and Reliability of Data Collection Instruments**

#### **3.7.1 Validity of Data Collection Instruments**

To ensure content validity, a pilot test was done using 15 respondents and results were used to adjust where necessary to ensure the instrument measured what it was supposed to measure (Saunders *et al.*, 2007). The pilot study tested whether the respondents would experience difficulties in understanding items, whether they will omit items, estimate the time respondents took to complete the instrument and give the indication on how the data collecting instrument was performed in the field.

Construct validity was done by reviewing empirical and theoretical literature in order to understand the relevant concept and by constructing the instrument items based on other related studies as well as concepts generated from a broad range of appropriate literature (Arumugum, 2008). Expert opinion was sought from quality experts being researcher's supervisors to evaluate the relevance, wording, and clarity of questions in the instrument as recommended by Gay (1996).

#### **3.7.2 Reliability of Data**

Reliability is a measure of the degree to which research instruments yield consistent results (Mugenda and Mugenda, 2003). In this study, reliability was done by presenting the questionnaire with a selected sample of ten (10) respondents that was different from the actual respondents to ensure the possibility of bias in the study is avoided. The measurement is free from error and consequently yields a consistent result. Garson (2006) stated that reliability could be measured by Cronbach's Alpha. Cronbach's Alpha can be

interpreted as the percentage of variance where the observed scale would explain in hypothetical true scale composed of all possible items in the universe. In general, reliability that is less than 0.6 is considered as poor, while those in 0.7 ranges are considered Acceptable and lastly reliability above 0.8 is considered good. This study used 0.7 ranges.

**Table 3.6 Test of Reliability of Research Instrument**

<b>Questionnaire Variables</b>	<b>No. of questionnaire items</b>	<b>Alpha score</b>	<b>Comment</b>
Employment Security	5	0.786	Reliable
Employee Resourcing	5	0.945	Reliable
Employee Training	5	0.811	Reliable
Employee Compensation	5	0.706	Reliable
Political factor	5	0.929	Reliable
Performance	12	0.864	Reliable
All Items	37	0.840	Reliable

As presented in Table 3.6 all the alpha scores of variables are above the Acceptable and recommended an alpha level of 0.7 and the total reliability of the instruments stand at 84% and this paved way for further analysis and interpretation.

### **3.8 Diagnostic Tests**

Results of the multiple regression analysis were ensured by testing the assumptions about the population and the following tests were necessary. However diagnostic tests were carried out to confirm whether data collected fitted well with the model. The tests included normality tests, linearity tests, heteroscedasticity tests and multicollinearity tests.

### 3.8.1 Normality Tests Results

The researcher used the rule of thumb that a variable is reasonably close to normal if its skewness and kurtosis have valued between -0.1 and + 0.1 as recommended by Dancey (2004). Normality test is important because regression model estimation methods assume normality since normally distributed data ensures that the data is fit for further statistical analysis and does not result in inflated statistics and under - estimated standard errors Field (2009).

To test Normality, skewness and kurtosis were measured and presented as shown in Table 4.9. The statistic ranges of a normal test are when skewness and kurtosis have values from -1 to +1 indicates the data is normal (Razali & Wah, 2011). Table4.9 shows the results.

**Table3.7: Normality**

Variable		Statistic	Std. Error	Conclusion
Employment security	Skewness	-0.847	0.052	Normally
	Kurtosis	0.148	0.845	Distributed
Employee Resourcing	Skewness	-0.632	0.021	Normally
	Kurtosis	0.416	0.654	Distributed
Employee Training	Skewness	-0.854	0.058	Normally
	Kurtosis	0.652	0.451	Distributed
Employee Compensation	Skewness	-0.101	0.062	Normally
	Kurtosis	0.145	0.753	Distributed
Performance	Skewness	-0.061	0.021	Normally
	Kurtosis	0.256	0.451	Distributed

Source: Survey Data, 2018



Table 3.7 displays that among the research variables having values ranging from -1 to +1 thus Normality was met.

### **3.8.2 Linearity Test Results**

The Pearson's correlation coefficient was used to test the linearity of the relationship between the variables as recommended by (Dancey, 2004 & Wooldridge, 2000). Further correlation coefficient shows the strength as well as the direction of the linear relationship; a negative correlation indicates an inverse relationship where an increase in one variable caused a decrease in the other, whereas a positive correlation indicates a direct influence, where an increase in one variable causes an increase in the other variable (Field, 2009).

Linearity test was done using Pearson's moment correlation coefficient between healthcare facilities performance, employment security, employee resourcing, employee training, and employee compensation. Results are as shown in table 4.10.

**Table3.8: Linearity test**

		Performance	Conclusion
Employment security	Pearson Correlation	0.5101	Linear
	Sig.(2-tailed)	0.000	
	N	2831	
Employee Resourcing	Pearson Correlation	0.3265	Linear
	Sig.(2-tailed)	0.0211	
	N	276	
Employee Training	Pearson Correlation	0.0821	Linear
	Sig.(2-tailed)	0.003	
	N	276	
Employee Compensation	Pearson Correlation	0.2145	Linear
	Sig.(2-tailed)	0.000	
	N		

**Source: Survey Data, 2018**

Table 3.8 indicates that there is a positive and significant linear relationship between healthcare performance and Employment security, employee resourcing, employee training and employee compensation. The results indicate that Employment security is ( $r=0.5101$ ), employee resourcing ( $r = 0.3265$ ), employee training ( $r =0.0821$ ) and employee compensation ( $r=0.2145$ ). The implication of results was that there was co-movement of variables and in the same direction. Nevertheless, it is crucial to note that correlation does not automatically mean that there is a causal relationship (Woolridge, 2000). Regression analysis was conducted to estimate causal relationship.

### 3.8.3 Multicollinearity Test Results

To check for correlated variables, multicollinearity was tested using the variance inflation factor (VIF). A mean VIF above 2 indicate the presence of multicollinearity, hence it should be of concern Hair, Tatham & Black (2010). In addition, multicollinearity was done to enable identification of variables with a high correlation among themselves. Multicollinearity creates a problem for multiple regression models, given that as collinearity rises; the standard error of coefficients also rises, making them less reliable. To establish whether multicollinearity existed, regression analysis was conducted. Tolerance and Variance inflation factors (VIF) are shown in Table 4.12.

**Table3.9: Results of Multicollinearity test**

Model	Collinearity Statistic	
	Tolerance	Mean VIF
Employment security	0.621	1.456
Employee Resourcing	0.725	1.314
Employee Training	0.854	1.811
Employee Compensation	0.651	1.115
Political factors	0.751	1.658
Dependent Variable: Performance		

Source: Survey Data, 2018

Table3.9 shows that all the VIFs of the variables were less than 2 and tolerance greater than 0.1 respectively. VIF of greater than 2 and Tolerance of less than 0.1 suggests multicollinearity (Landau & Everitt, 2004). This implies that there was no multicollinearity and thus all the predictor variables were maintained in the regression model, as this is within the threshold recommended by Landau and Everett (2004).

### 3.8.4 Homoscedasticity Test Results

Levene's Test (1960) was used to test the homogeneity of variances. This test assumes that the dependent variable exhibits equal variance across the range of predictor variables. If the variances in the two groups are different from each other, then adding the two together is not appropriate and will not yield an estimate of the common within-group variances (Gastwirth, Gel & Miao, 2009). Consequently, the Levene Test for homogeneity of the variance was used to measure the equality of variances for the variables. If the test is significant (calculated probability  $> 0.05$ ), the two variances are not significantly different and are thus approximately equal (Gastwirth, Gel & Miao, 2009).

**Table3.10: Levene Test**

Variables	Levene Statistic	df	Sig.
Employment security	7.651	1	0.074
Employee Resourcing	8.012	1	0.071
Employee Training	4.958	1	0.124
Employee Compensation	6.124	1	0.147
Political factors	5.652	1	0.254

Source: Survey Data, 2018

Table3.10 reveals that the calculated probability is  $p > 0.05$  for all the variables. The calculated probability values range from 0.071 to 0.254. The result shows that the significance level of the Levene Test is greater than 0.05, indicating variance homogeneity (Gastwirth *et al.*, 2009).

### **3.9 Data Collection Procedures**

An introductory letter granting the researcher the authority to collect data from the target facilities was obtained from Kenyatta University. Permission to conduct the research was sought from the NACOSTI office before contacting the sampled respondents. The researcher then sent request letters to the sampled facilities for permission to carry out the research. The study used primary data. The drop and pick method utilized to collect primary data.

#### **3.9.1 Data Collection Instruments**

Primary data was collected using self-administered questionnaires. Both open and closed ended questions were used to collect primary data. Questionnaires are commonly used methods when respondents can be reached and are willing to co-operate. Questionnaires were used so as to encourage the respondents to give an in-depth response without feeling held back in revealing any relevant information. The questionnaire was easy to fill and thus saving on time (Creswell, 2000).

### **3.10 Data Analysis and Presentation**

Data analysis is an application of reasoning to understand, clear and interprets the data or information that have been collected through the questionnaires (Zikmund, 2003). Descriptive statistics such as means, standard deviation, bars, charts percentages and frequency distribution were used to describe variables. Inferential statistics using multiple regressions were used to analyse the data using the Statistical Package for Social Science (SPSS 21). Multiple regressions were used to test the relationship between the independent variables and the dependent variable.

Multiple regressions aided by SPSS were used to evaluate the findings of this research study by determining whether the hypothesis should be accepted or rejected. Before data analysis was done diagnostic tests were done. To establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships, this study applied inferential statistics. The appropriate test applied was multiple regression analysis. The research hypothesis was tested at 95% level of confidence.

### **3.11 Ethical Considerations**

Research findings from other researchers are cited accordingly. Integrity and honesty were the guiding values of the researcher and the team in the field and throughout the data collection throughout the process. The researcher exercised utmost caution while administering the data collection instruments to the respondents to ensure rights and privacy were upheld. Prior to actual administration of the instruments, an introduction of the aim and the purpose of the study were made to the respondents in the language they best understand.

The researcher sought the consent of the respondents before they were provided with all the requirements of the study. To ensure confidentiality, the respondents' names would not appear on the questionnaire. Further, no was coerced into the exercise at any level. The study findings are presented without any manipulation or influence by the researcher in any way. Further, the researcher ensured that the data collected is only used for the purpose of the study.

## CHAPTER FOUR

### RESEARCH FINDINGS AND DISCUSSION

#### 4.1 Introduction

This chapter presents study findings, from descriptive statistics followed by estimation of diagnostic tests and empirical studies are discussed and presented.

#### 4.2 Response rate

The data was coded and cleaned for consistency purposes. The data was collected from 354 respondents from healthcare facilities in Nairobi City County. The response rate was 78% percent.

**Table 4.1 Response Rate**

<b>Respondents</b>	<b>Questionnaires administered</b>	<b>Questionnaires filled and returned</b>	<b>Percentage %</b>
	354	276	78%

Source: Survey Data, 2018

Table 4.1 shows a response rate of 78% meaning 276 out of a total of 354 respondents filled and returned the questionnaire. This was considered satisfactory to make a conclusion for the study. Saunders *et al* (2007), Stanton (2007) and Mugenda and Mugenda (2003) assert that a response rate of above 50% is adequate, response rate above 60% is good and the response above 70% is considered outstanding and hence the response was satisfactory.

#### 4.2.1 Respondents Demographic Characteristics

This section covers the general information about the respondents who took part in the

research. The background information sought was gender, age bracket of the respondents, position in the facility and the level of education of respondents.

**Table 4.2 Results for Demographic Profile of Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percentage %</b>
Male	155	56
Female	121	44
<b>Total</b>	<b>276</b>	<b>100</b>
<b>Age bracket</b>		
Below 30 years	69	25
31- 40 years	99	36
41-50 years	77	28
50 years	31	11
<b>Total</b>	<b>276</b>	<b>100</b>
<b>Position</b>		
Top management	39	14
Medical officers	155	56
Support staff	82	30
<b>Total</b>	<b>276</b>	<b>100</b>
<b>Level of Education</b>		
Secondary	44	16
Tertiary	88	32
Degree	116	42
Masters	22	8
PHD	6	2
<b>Total</b>	<b>276</b>	<b>100</b>

Source: Survey Data, 2018

The study sought to determine the gender of the respondents. As shown in Table 4.2 the study found that the male gender was 56% and the female gender was 44%. This shows



that both genders were well represented and fair and in tandem with a third employment rules envisaged in the Kenyan constitution.

The study sought to determine the age bracket of the respondents and consequently requested the respondents to indicate their age bracket. From the findings as shown in figure 4.1 established that most of the respondents as shown by 36% were aged between 31-40 years. 25% of the respondents were aged below 30 years and 28% of the respondents were aged between 41-50 years. This implies that 11% of respondents were above 50 years. Age of respondents was well distributed and consequently satisfactory for the study.

The findings of the study in Table 4.2 show that 56% are medical officers and 30% are support staff while 14% are top management. This is consistent with a population under study that top management is fewer; the majority are medical officers and more support staff.

The study sought to establish the respondent's level of education at the health facilities, from the research findings; the study revealed that majority of 42% of the respondents had a degree certificate. 32% of the respondents had tertiary education, 16 % of the respondents had secondary certificate while 8% of respondents had master's certificate and 2% had Ph.D. This shows that respondents had requisite skills and thus able to give a reliable information relating to this research.

### **4.3 Descriptive Statistics**

#### **4.3.1 Employment Security**

Employment security indicators consisting of employment contract, collective bargaining

agreement, and labour legislation were measured by the researcher. The descriptive statistics for each of the employment security indicators are presented and discussed as shown in Table 4.3. Respondents measured the five items by rating on the five-point Likert's Scale with the range from strongly disagree (1) to strongly agree (5).

**Table 4:3 Employment Security affects Performance**

<b>Employment Security Description</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
Employees are encouraged to join a worker's union to protect unilateral dismissal.	276	4.18	0.46
Policies are in place to safeguard employee job loss.	276	4.36	0.57
Employees are hired on a contract basis	276	4.19	0.62
Individual personal characteristics are considered in engaging employees	276	4.57	0.54
Collective bargaining agreement is implemented	276	4.49	0.69
<b>Aggregate Scores</b>	<b>276</b>	<b>4.36</b>	<b>0.58</b>

Source: Survey Data, 2018

As shown in Table 4.3, the overall mean is 4.36 indicates that respondents agreed that employment security contributes to the performance of County healthcare facilities. Respondents agreed that employees are encouraged to join a worker's union to protect unilateral dismissal with a mean of 4.18 and a standard deviation of 0.46. Policies are in place to safeguard employee job loss at a mean of 4.36 and a standard deviation of 0.57. Employees are hired on a contract basis with a mean of 4.19 and a standard deviation of

0.62. Individual personal characteristics are considered in engaging employees with a mean of 4.57 and a standard deviation of 0.54. Collective bargaining agreement is implemented at a mean of 4.49 and a standard deviation of 0.69.

The responses are clustered around the mean responses and the overall standard deviation is low revealing agreement among respondents that employment security is important in the performance of Nairobi city County healthcare facilities.

The aggregate mean score for employment security was 4.36 with a standard deviation of 0.58. The aggregate score was above 4 on the five point Likert scale adopted by the study. This implied that the respondents agreed to a large extent that employment security had affected the healthcare performance of Nairobi City County. This implied that the respondent's responses closely clustered around the aggregate score of 4. The fact that respondent's responses clustered around 'agree implied a significant relationship between employment security and healthcare performance.

The results were in tandem with Demerouti, and R. Cropanzano (2010) study, for example, provided strong empirical evidence that Employee job security is a vital element in the organization in increasing job performance which ultimately fosters organization's total productivity. It had also been demonstrated empirically that employment security a firm provides is positively related to organization production output (Bhuiyan, 2012). The study found that employment security such as employees in a worker's union set up policies collective bargaining agreement affect employment security which in turn affect healthcare performance.

### 4.3.2 Employee Resourcing

The measurement of the variable employee resourcing used indicators such as planning, attracting qualified staff, selection and placement. The descriptive indicators of each of the indicators are presented and discussed as shown in Table 4:4. Respondents measured the five items by rating on the five-point Likert's Scale with the range from strongly disagree (1) to strongly agree (5).

**Table 4:4 Employee Resourcing affects Performance**

<b>Descriptions</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
County jobs are publicly advertised	276	4.34	0.31
Preliminary screening is conducted for all potential employees	276	4.23	0.31
The organization prefers getting employees from external sources	276	4.18	0.36
The organization prefers getting employees from internal candidates	276	3.83	0.38
The County conducts personality skills test during the recruitment exercise	276	4.15	0.33
<b>Aggregate Scores</b>	<b>276</b>	<b>4.15</b>	<b>0.34</b>

Source: Survey Data, 2018

Table 4.4 the overall mean is 4.15 which indicates that respondents agreed that employee resourcing contributes to the performance of County healthcare facilities. County jobs are publicly advertised with a mean of 4.34 and a standard deviation of 0.31. Preliminary screening is conducted for all potential employees at a mean of 4.23 and a standard deviation of 0.31. The organization prefers getting employees from external sources with

a mean of 4.18 and a standard deviation of 0.36. The organization prefers getting employees from internal candidates with a mean of 3.83 and a standard deviation of 0.38. The County conducts personality skills test during recruitment exercise at a mean of 4.15 and a standard deviation of 0.33. The implication is that the responses are clustered around the mean responses and the overall standard deviation is low revealing agreement among respondents that employee resourcing is important in the performance of Nairobi city County healthcare facilities.

The aggregate mean score for employee resourcing was 4.15 with a standard deviation of 0.34. The aggregate score was above 4 on the five point Likert scale adopted by the study. This implied that the respondents agreed that employee resourcing had affected the healthcare performance of Nairobi City County. This implied that the respondent's responses closely clustered around the aggregate score of 4. The fact that respondent's responses clustered around 'agree' implied a significant relationship between employee resourcing and healthcare performance.

The results were in line with (Majumber, 2012) which found that organizations only hires and retains the right manpower in order to increase its performance and contends that employee resourcing in organizations is bound to outperform other businesses in the industry. It had also been demonstrated empirically that employment resourcing a firm provides is positively related to performance (Kavoo-Linge & Kiruri, 2013). The study found that employee resourcing such as preliminary screening, personality skills test affect employment security which in turn affect healthcare performance.

### 4.3.3 Employee Training

The variable Employee training is measured by indicators comprising of needs identification, employee training design, employee training delivery, and employee training evaluation. The descriptive indicators of each of the indicators are presented and discussed as shown in Table 4:5. Respondents measured the six items by rating on the five-point Likert's Scale with the range from strongly disagree (1) to strongly agree (5).

**Table 4:5 Employee Training affects Performance**

<b>Employee Training Descriptions</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
Employee training is conducted for new employees	276	4.10	0.22
Employees are assigned supervisors to guide	276	4.50	0.22
Courses and Seminars are conducted in the organization	276	4.18	0.42
Employee training programs are well planned and designed	276	4.09	0.26
Job rotation is conducted routinely in the County	276	4.15	0.32
There are plans and adequate budget for employee training activities	276	4.70	0.35
<b>Aggregate Score</b>		<b>4.29</b>	<b>0.30</b>

Source: Survey Data, 2018

As revealed in Table 4.5, the overall mean is 4.29 indicates that respondents agreed that employee training contributes to the performance of County healthcare facilities. Employee training is conducted for new employees (mean = 4.10, SD =0.22). Employees are assigned supervisors to guide (mean= 4.50, SD= 0.22). Courses and Seminars are

conducted in the organization (mean= 4.18, standard deviation= 0.42). Employee training programs are well planned and designed (mean = 4.09 and standard deviation = 0.26). Job rotation is conducted routinely in the County (mean =4.15 and standard deviation =0.32). There are plans and adequate budget for employee training activities (mean =4.70 and standard deviation =0.35). Generally, the responses are clustered around the mean responses and the overall standard deviation is low revealing agreement among respondents that employee training is significant in the performance of Nairobi city County healthcare facilities.

The aggregate mean score for employee training was 4.29 with a standard deviation of 0.30. The aggregate score was above 4 on the five point Likert scale adopted by the study. This implied that the respondents agreed to a large extent that employee training had affected the healthcare performance of Nairobi City County. This implied that the respondent's responses closely clustered around the aggregate score of 4. The fact that respondent's responses clustered around 'agree' implied a significant relationship between employee training and healthcare performance.

The results were in tandem with Otuko, Chege and Douglas (2013) study, which posit that the effectiveness of skilled employees can be limited if they are not motivated to perform their jobs through provision of training. It had also been demonstrated empirically that employee training a firm provides is positively related to organization performance (Asim, 2013). The study found that employee training such as assigned supervisors, courses and seminars, job rotation affect employee training which in turn affect healthcare performance.

#### 4.3.4 Employee Compensation

The variable employee compensation is measured by indicators comprising of benefits competitive pay, work environment, wage policy, external fairness. The descriptive indicators of each of the indicators are presented and discussed as shown in Table 4:6. Respondents measured the five items by rating on the five-point Likert's Scale with the range from strongly disagree (1) to strongly agree (5).

**Table 4:6 Employee Compensation affects Performance**

<b>Employee compensation</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
Overtime allowances are offered for extra work done	276	2.85	0.64
Fringe benefits are offered to employees	276	4.09	0.35
Bonuses are given to boost individual performance	276	4.34	0.32
Paid leave is available for employees during leave time	276	4.17	0.45
Pension is available to employees during retirement	276	4.05	0.44
<b>Aggregate Scores</b>	<b>276</b>	<b>3.9</b>	<b>0.44</b>

Source: Survey Data, 2018

As revealed in Table 4.6, the overall mean is 3.9 indicates that respondents agreed that employee compensation contributes to the performance of County healthcare facilities. Overtime allowances are offered for extra work done (mean = 2.85, SD =0.64). Fringe benefits are offered to employees (mean= 4.09, SD= 0.35). Bonuses are given to boost individual performance (mean= 4.34, standard deviation= 0.32). Paid leave is available for employees during leave time (mean = 4.17 and standard deviation = 0.45). The



pension is available to employees during retirement (mean =4.05 and standard deviation =0.44). Generally, the responses are clustered around the mean responses and the overall standard deviation is low revealing agreement among respondents that employee compensation is significant in the performance of Nairobi city County healthcare facilities.

The aggregate mean score for employee compensation was 3.9 with a standard deviation of 0.44. The aggregate score was approximately 4 on the five point Likert scale adopted by the study. This implied that the respondents agreed that employee compensation had affected the healthcare performance of Nairobi City County. This implied that the respondent's responses closely clustered around the aggregate score of 4. The fact that respondent's responses clustered around 'agree' implied a significant relationship between employee compensation and healthcare performance.

The results were in tandem with Osterloh and Frey (2012) study, which posit monthly rewards also increase the performance and that employees are extremely motivated to monthly rewards. It had also been demonstrated empirically that employee compensation a firm provides is positively related to organization performance (Rizwan and Ali, 2010).The study found that employee compensation such as overtime allowances, fringe benefits, bonuses, paid leave, pension which in turn affect healthcare performance.

#### **4.3.5 Political factors**

Counties healthcare facilities operate in complex and unstable political environment. The political factors are the same for all healthcare facilities and yet staff perceives and

interpret political factors to vary and in turn affects individual healthcare facilities. The respondents were asked on the level of agreement or disagreement on the various political indicators. The results are summarised in Table 4.6. Respondents measured the five items by rating on the five-point Likert's Scale with the range from strongly disagree (1) to strongly agree (5).

**Table 4.7 Political factors**

<b>Political factors Descriptions</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
Organization appointed leaders make decisions that directly impact my job	276	4.13	0.33
Elected leaders influence work practices	276	4.45	0.40
Management decisions have an effect on my job	276	4.20	0.35
Political stability improves our performance	276	4.21	0.43
Our performance is always affected by the elections in our country	276	4.49	0.56
<b>Aggregate Score</b>	<b>276</b>	<b>4.30</b>	<b>0.41</b>

Source: Survey Data, 2018

The results presented in Table 4.7 show the average mean score of the political factors as mean score 4.30 and a standard deviation of 0.41. The results imply that the political factors moderately affect the level of a healthcare facilities performance.

#### **4.3.6 Performance**

The respondents agreed or disagreed with statements on their healthcare facilities performance.

**Table 4.8 Performance of Healthcare Facilities**

<b>Effectiveness</b>	<b>N</b>	<b>Mean</b>	<b>Standard Deviation</b>
The organizational objectives are in line with the organization's goals	276	3.58	0.26
Members of staff are fully utilized to meet the organization's goals.	276	3.51	0.34
The organizations always achieve its objective within the set time frame	276	3.82	0.32
The organization continuously assesses customer satisfaction	276	3.65	0.19
<b>Efficiency</b>			
The organization compares progress made in the organization from time to time	276	3.73	0.26
The organization delivers its services/products promptly without any delay	276	3.84	0.22
The organization responds to customers complain in a timely manner	276	3.58	0.30
The organization makes optimal use of its financial resources.	276	3.50	0.29
<b>Quality Service</b>			
Services provided are at par with laws and regulations	276	3.64	0.24
Service review is periodically done	276	3.88	0.34
Service benchmarking with other service providers	276	3.51	0.38
Services are continuously improved	276	3.75	0.21
<b>Aggregate Score</b>		<b>3.67</b>	<b>0.28</b>

Source: Survey Data, 2018

Table 4.8 shows the aggregate mean is 3.67 and a standard deviation of 0.28. This means the respondents were neutral that performance of county healthcare facilities was efficient, effective and offered quality services.

#### 4.4 Regression Analysis

Regression analysis using SPSS was also used to test the relationship between the independent variables and dependent variable.

##### 4.4.1 Test of Hypothesis

Multiple regression analysis was used to test the hypothesis. It was performed using field data and the results were interpreted according to the adjusted R<sup>2</sup> values and P values P>0.01 and P>0.05 significant level. Variables under study were regressed on performance indicators. Five research hypotheses that the research sought to address are in this section.

##### 4.4.2 Test of Direct Relationship

The multiple regression findings testing the direct relationship between employment security, employee resourcing, employee training and employee compensation and performance are summarized in Table 4.9.

**Table 4.9: Model Summary**

Model	R	R square	Adjusted R square	Standard Error of Estimate
1	0.8064	0.6502	0.6157	0.2511

- a. Independent variables: Employment Security, Employment Resourcing, Employment Training and Employee compensation
- b. Dependent Variable: Healthcare Performance

Source: Survey Data

Table 4.9 the R value is the correlation coefficient between the dependent variable and the independent variables. The value of correlation coefficient(R) of four independent variables (employment security, employee resourcing, employee training and employee compensation) with the dependent variable (healthcare performance) is 0.8064. Therefore, there is a positive correlation between four independent variable and dependent variable.

Table 4.9 shows that the adjusted  $r^2$  is 61.5% which implies that the four independent variables jointly contribute 61.5% of performance whereby 38.5% of performance is from other variables not included in the Model.

**Table 4.10: Analysis of Variance (ANOVA)**

Model	Sum of Squares	Degree of freedom	Mean Square	F	P-Statistic
Regression	7.512	4	1.878	22.63	0.000
Residual	28.839	349	0.083		
Total	36.351	353			

- a. Independent Variables: Employment Security, Employment Resourcing, Employment Training and Employee compensation
- b. Dependent Variable: Healthcare Performance

Source: Survey Data

Table 4.10 shows an F value of 22.63 P = 0.00 which is less than 0.005. This indicates that the model is significant and a good predictor of the relation of dependant and independent valuable.

**Table 4.11: Coefficients**

Model	Unstandardized Coefficient		Standardized Coefficient	t	P-Statistic
	Beta	Std. error	Beta		
Constant	6.524	0.12		1.68	0.002
Employment Security	0.456	0.025	0.651	5.11	0.000***
Employment Resourcing	0.548	0.034	0.730	6.57	0.001***
Employment Training	0.658	0.053	0.819	8.98	0.000***
Employee compensation	0.256	0.015	0.368	3.65	0.001***
Key *** Significant at 0.05%					

a. Independent Variables: Employment Security, Employment Resourcing, Employment Training and Employee compensation

b. Dependent Variable: Healthcare Performance

Source: Survey Data

Consequently, the t statistics and p-values can reliably be used to test the significance of coefficients in the model;

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

The regression equation obtained from this output is: -

$$Y = 6.524 + 0.456X_1 + 0.548X_2 + 0.658X_3 + 0.256X_4 + \varepsilon$$

Where

Performance (Y) = 6.524 + 0.456 employment security (X<sub>1</sub>) + 0.548 employee resourcing (X<sub>2</sub>) + 0.658 employee training (X<sub>3</sub>) + 0.256 employee compensation (X<sub>4</sub>) + Error term

The first objective sought to investigate the relationship between employment security and performance of Nairobi city County healthcare facilities. A null hypothesis  $H_{01}$  was formulated with the assumption that there is no relationship between employment security and performance of Nairobi city County healthcare facilities. Table 4.13 shows that the coefficient of employment security was 0.456. The beta coefficient for employment security is 0.456. This indicates that a unit increase in employment security would result in a 45.6% increase in healthcare performance value in a direct relationship between employment security and performance of Nairobi city County healthcare facilities. The t-statistic and corresponding p-value were 5.11 and 0.000 respectively. Consequently, at  $P < 0.05$  level of significance, the null hypothesis was rejected implying that employment security has a significant influence on the performance of Nairobi city County healthcare facilities. On the basis of these statistics, the study concludes that there is a significant positive relationship between employment security and performance of Nairobi city County healthcare facilities.

In terms of the concerns of this study, this finding brings out the role that employment security of the current employees can have on the performance of County healthcare. This is reinforced by the statement “employment security is meant at improving performance” with the highest mean score of 4.57. The statement that employment security enhances performance is consistent with previous studies (Demerouti & R. Cropanzano (2010) and Bhuiyan, 2012). This means that Nairobi city County healthcare facilities offer employment security that is appropriate and secure to employees.

From the theoretical framework, the study used proposes of the RBV theory. The resource-based view presents an influential framework for understanding HRMP. The continuous competitive advantage derived from the resources and capabilities a firm control that is valuable, rare, imperfectly imitable, and not substitutable. These resources and capabilities can be viewed as bundles of tangible and intangible assets, including firm management skills, its organizational processes and routines alongside the information and knowledge it controls.

The above observation contributes to the linking of the knowledge gaps identified in chapter two of this study. This study consequently contributes to the body of knowledge by showing that there can be a fit between employment security and improved performance in county healthcare facilities.

The second objective sought to determine the relationship between employee resourcing and performance of Nairobi city County healthcare facilities. A null hypothesis,  $H_{02}$ , was expressed with an assumption of no relationship between employee resourcing and performance of Nairobi city County healthcare facilities. The results in Table 4.13 show that the coefficient of employee resourcing was 0.548 with the t-statistic and a corresponding p-value of 6.57 and 0.001 respectively. Thus, the study rejects the null hypothesis at  $P < 0.05$  level of significance. Consequently, the study concludes that employee resourcing in Nairobi City County healthcare facilities has a significant relationship with performance.



This finding brings out the role that employee resourcing can have on the performance of County healthcare. This is consistent with the findings of other scholars such as Schuster (1986) who argued that employee resourcing is a key practice that creates profits. Huselid (1995) examined HR practices of high performance companies and found that attracting and selecting the right employees to increase the employee productivity, boost performance, and contribute to reducing turnover. Majumber, 2012 that a possible indirect link between employee resourcing and performance can be the forging of internal bonds between managers and employees that create the right culture for productivity growth. Collins and Clark (2013) argued that practice of employee resourcing results in sales growth. Waruguru, 2015 pointed out that an effective hiring process ensures the presence of employees with the right qualifications, leading to the production of quality products and consequently in an increase of economic performance.

From the theoretical framework, the study used proposes the Human Capital Theory which provides a perspective that value addition by people within an organization can contribute to better firm Performance. Human capital theory regards people as assets and not a cost within an organization. Human capital, according to Kavoo-Linge & Kiruri, 2013 proposed represents the human factor in the organization; the combined intelligence, skills, and expertise that gives the organization its distinct character. The Human Capital Theory emphasizes the added value that people can contribute to an organization.

The above observation contributes to the linking of the knowledge gaps identified in chapter two of this study. This study consequently contributes to the body of knowledge

by showing that there can be a fit between employee resourcing and improved performance in county healthcare facilities. The third objective sought to determine the relationship between employee training and performance of Nairobi city County healthcare facilities. As such a null hypothesis  $H_{03}$  with an assumption of no relationship between employee training and performance of devolved healthcare facilities in Nairobi City County, Kenya was expressed. Table 4.13 shows that the coefficient of employee training was 0.658 with the t-statistic and a corresponding p-value of 8.98 and 0.000 respectively. The beta value for employee training is 0.658. This indicates that a unit increase in employee training would result in a 65.8% increase in healthcare performance value in a direct relationship between employee training and performance of Nairobi city County healthcare facilities. Consequently, the null hypothesis was rejected at  $P < 0.05$  level of significance inferring that employee training has a significant positive relationship with Nairobi city County healthcare performance.

Employee training improves performance positively as shown in the research study and supported by studies of other scholars as Otuko, Chege and Douglas (2013) & (Asim, 2013). Providing employee training to employees, such as on-the-job employee training, job rotation, coaching, mentoring, in-basket employee training, a case study has shown to improve knowledge, skills, experience, abilities, and motivation of employees as shown by the study.

The above observation contributes to the linking of the knowledge gaps identified in chapter two of this study. This study consequently contributes to the body of knowledge by showing that there can be a fit between employee training and improved performance

in County healthcare facilities.

The results agree with the argument by Asim (2013) that organizations can enhance their performance through training practices that equip employees with skills that subsequently positively affect performance.

The fourth objective sought to determine the relationship between compensation and performance of Nairobi city County healthcare facilities. To this end, a null hypothesis H04 assuming no relationship between compensation and performance of devolved healthcare facilities in Nairobi City County, Kenya was formulated.

Table 4.13 shows that the beta coefficient of compensation was 0.256 with the t-statistic and a corresponding p-value of 3.265 and 0.001 respectively. Consequently, the null hypothesis was rejected at  $P < 0.05$  level of significance implying that employee compensation has a significant positive relationship with healthcare facilities performance. The beta coefficient for compensation is 0.256. This indicates that a unit increase in employee compensation would result in a 25.6% increase in performance value in a direct relationship between employee compensation and performance of Nairobi city County healthcare facilities. The findings agree with the study findings of Osterloh and Frey (2012) and (Rizwan and Ali, 2010).

The relationship is weak between compensation and performance at 25% and could be explained by employee responses where while performance-based employee compensation can motivate employees, sometimes employees perceive it as a management mechanism to control behaviour (Lawler and Rhode, 1976). In such a case,

employees are less loyal and committed, thus employee compensation plans have the opposite of the desired outcome (Ahmad and Schroeder, 2003; Rodriguez and Ventura, 2003). The above observation contributes to the linking of the knowledge gaps identified in chapter two of this study. This study consequently contributes to the body of knowledge by showing that there can be a fit between employment security and improved performance in county healthcare facilities.

#### 4.5 Moderation

The fifth hypothesis sought to investigate whether political factors have a moderating effect on the influence of HRMP and performance. To test the moderating effect of political factors on the relationship between HRMP and performance, Stepwise regression analysis was used, where the moderating variable was introduced. The results were presented as shown in Table 4.14.

**Table 4.10: Regression of political factors on HRMP and Performance variables.**

<b>Goodness of fit</b>	<b>Test Statistic</b>	<b>P-Value</b>	
Adjusted R squared	0.6711		
F-Statistic (5,276)	320.93	0.000***	
<b>Dependent Variable=Performance</b>	<b>Linear Regression Results</b>		
	<b>Coefficient</b>	<b>T-statistic</b>	<b>P-Statistic</b>
HRMP	0.194	2.11	0.000***
Political factors (P)	-1.549	-3.92	0.000***
Constant	2.574	0.98	0.001
Key*** Significant at 1%			

Source: Survey Data, 2018

$$\text{Performance} = 2.574 + 0.194\text{HRMP} - 1.549\text{P} + \varepsilon \dots\dots\dots 3.2$$

The regression results show that the adjusted R- squared is 67.11%, indicating that the model explains the 67.11% of the variation in performance and the rest is explained by the variables that are not fitted in the model. Table 4.14 shows that political factors are negative and significant at (-1.549, t=-3.92 p=0.000). This implies that political factors are significant when introduced into Model (3.2). The findings thus agree that performance is affected by the political factors and is supported by other research findings of Bennett, 2005, Borgne & Lockwood, 2006, Moncrief, 2005 and Walker, 2005.

**Table 4.11: Regression of product of political factors on HRMP and Performance variables.**

Goodness of fit	Test Statistic	P-Value	
Adjusted R squared	0.6711		
F-Statistic (6,276)	230.66	0.000***	
<b>Dependent Variable=Performance</b>	<b>Linear Regression Results</b>		
	<b>Coefficient</b>	<b>T-statistic</b>	<b>P-Statistic</b>
HRMP	0.195	2.13	0.046
Political factors	1.462	4.31	0.320
HRMP^PF	-0.021	-0.03	0.894
Constant	-2.58	-0.98	0.747

Source: Survey Data, 2018

$$\text{Performance} =$$

$$-2.58 + 0.195\text{HRMP} + 1.462\text{P} - 0.$$

$$0.021\text{P} \cdot \text{HRMP} + e \dots\dots\dots 3.3$$

Model (ii) was estimated where products of political factors and performance were used to estimate the moderating effects. Table 4.11 shows that the coefficient for interactive terms were all not significant where HRMP was not significant at (0.195,  $t=2.13$ ). Where the coefficient in model (ii) is not significant and the political factors in model (iii) are not significant, there is no moderating effect based on Mackinnon (2007) argument ( $p=0.201$ ) and political factors were not significant at (1.462,  $t=4.31$   $p=0.320$ ). Therefore, we fail to reject the null hypothesis hence no significant effect on the relationship between political factors and performance and thus political factors are just an explanatory variable. This finding is in contrast with findings of Buchen, 2005; McCann, Hassard, & Morris, 2004 who asserted that political factor have an influence on the performance of organizations.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION CONTRIBUTION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This part introduces the outline, conclusion, recommendations of the research study and suggestions for a further research study.

#### **5.2 Summary**

The performance of devolved healthcare facilities in Nairobi City County, Kenya has needed for a long time, notwithstanding the effect of human resource management practices. Past examinations reviewed on performance internationally and in Kenya did not centre on Nairobi city County healthcare sector. The current study looked to set up the relationship between HRM practices and performance of devolved healthcare facilities in Nairobi City County, Kenya.

In like manner, an exhaustive research was carried out, guided by the accompanying objectives: To determine whether employment security influence performance of devolved healthcare facilities in Nairobi City County, Kenya, To establish whether employee resourcing impacts performance of devolved healthcare facilities in Nairobi City County, Kenya, to access whether employee training influence performance of devolved healthcare facilities in Nairobi City County, Kenya, to establish whether employee compensation affects performance of devolved healthcare facilities in Nairobi City County, Kenya and finally to determine the moderating effect of political factors on

HRM practices and performance of the devolved healthcare facilities in Nairobi City County, Kenya.

The study utilized a descriptive research design. Collection of data was fetched using a self-administered questionnaire. Descriptive statistics were used to describe and summarize data, while inferential statistics, particularly regression analysis was used to establish the nature and magnitude of the relationships hypothesized between the variables.

The research tested five hypotheses using multiple regressions. The first objective was establishing whether employment security influences performance of devolved healthcare facilities in Nairobi City County, Kenya. The null hypothesis was rejected with an implication that employment security had a significant effect on the performance of devolved healthcare facilities in Nairobi City County. This could be as a result of Employment Contract, Collective Bargaining Agreement and Labour Legislation and in turn affect their performance.

The second objective aimed at establishing how employee resourcing impacts the performance of devolved healthcare facilities in Nairobi City County, Kenya. The null hypothesis was rejected, based on the fact that employee resourcing had a significant effect on the performance of the Nairobi City healthcare facilities. This would have resulted from planning, attracting qualified staff, selection and placement of the employees. The third objective was to access whether employees training influence the



performance of devolved healthcare facilities in Nairobi City County, Kenya. Employee training was found to have a positive and significant relationship with county healthcare facilities performance hence the null hypothesis was rejected. This could be attributed to needs identification of employees, employee training design, county employee training delivery and county Employee training evaluation.

Fourth objective how employee compensation affects the performance of devolved healthcare facilities in Nairobi City County, Kenya. Employee compensation has a significant positive relationship with the performance of county healthcare facilities. The null hypothesis was rejected. Finally, Political factor was found not to moderate on the relationship between organizational performance and HRM practices rather it was found to be an explanatory variable hence we fail to reject the null hypothesis.

### **5.3 Conclusion**

Performance is very critical in any organization, in this study; the researcher examined the effect of HRM practices and the role of political factors in influencing performance. The following conclusions were made based on the findings of the study.

The research findings indicated that the relationship between human resources management practices and healthcare performance was positive and statistically significant. Therefore the null hypothesis that there is no significant relationship between HRMP and performance of healthcare facilities in Nairobi City County, Kenya was rejected.

Employment Security was found to be positive and statistically significant therefore the study concludes that employee security contributes towards performance. Secondly, Employee resourcing was found to be positive and statistically significant therefore the study concludes that employee security contributes towards performance, Further, Employee training was found to be positive and statistically significant therefore the study concludes that employee security contributes towards performance. Finally, Employee compensation was found to be positive and statistically significant therefore the study concludes that employee security contributes towards performance.

The results on political factors had had a negative relationship but not statistically significant on the relationship between HRMP and performance of healthcare facilities in Nairobi City County. The results therefore imply that Nairobi City County healthcare facilities should not focus on political environment as it has no any effect on the its relationship with performance.

The study concludes that employment security, employee resourcing, employee training and employee compensation have a positive relationship on county healthcare performance. The county has utilized HRM practices in order to put itself in a competitive position. The researcher further concludes that the county has extensively used the different HRM practices.

Based on the results showed, the overall effects of HRM practices (employment security, employee resourcing, employee training and employee compensation) towards performance in Nairobi healthcare is positive and significant. The objectives of the research are fulfilled with the results acceptance. Since the HRM practices become one

of the most popular ways to evaluate performance in an organization in a recent year, the research tends to provide the evidence to support future research related to this field

#### **5.4 Contributions of the Study to Knowledge**

This study sought to examine the influence of HRM practices on County healthcare performance. This study provides additional robust and quantitative evidence to support the HRM practices and performance link from a different context, that's Kenya a developing country. The study findings provide support for the assumptions underlying the resource-based view theory which postulates that that performance comes from the internal resources that are owned by a firm.

The current study focuses on a relatively unexplored research area in the county healthcare sector in Kenya. Prior studies have shown evidence of the link between HRM practices and performance with arguments based on organizations private firms. This study provides empirical evidence that HRM practices applied in a systematic way can lead to superior performance in Nairobi City County healthcare sector.

The study sought to establish the individual and combined effect of HRMP on performance in the Nairobi City County healthcare sector, Kenya. Prior studies in developed countries have established that there is a significant relationship between HRMP practices and performance. In Kenya's context, studies have revealed that HRM practices have a statistically significant relationship with performance. This study contributes to the empirical literature by revealing that HRM practices such as

employment security, employee resourcing, employee training and employee compensation have a positive statistically significant relationship with performance.

Further, the study contributes to the empirical literature by revealing four significant variables that are important in influencing performance in the healthcare facilities namely; employment security, employee resourcing, employee training and employee compensation. Also, the study contributes to knowledge by justifying the importance of HRM practices. Therefore, HR managers have a justification that promoting HRMP practices is beneficial to the organization and can be pursued and crucial to the attainment of organizational goals.

Finally, the study gives a study model where HRMP employment security, employee resourcing, employee training and employee compensation can be looked at as independent variables and political factors as mediating variables and performance as the dependent variable.

### **5.5 Recommendations for Further Research**

The researcher recommends that other similar research on this area of study should be done in other counties of Kenya to enable comparison of research findings and draw conclusion whether the results can be used to make a generalization of Kenya public healthcare sector.

The research also recommends that other HRMP practices not studied should be researched in the context of Nairobi City County to find its effect on performance. Finally, the political factor should be further tested on other sectors to find its impact as a mediating variable.

## REFERENCES

- Achampong, E. K. (2012). The State of Information and Communication Technology and Health Informatics in Ghana. *Online Journal of Public Health Informatics*, 4(2), 12-134
- Adebayo, O.I. and O.I.E. Lucky, 2012. Entrepreneurship development and national job security. Proceedings of the Laspotech SM National Conference on National Job Security Main Auditorium, June 25-26, 2012, Isolo Campus, Lagos, Nigeria –
- Adonis, D.E (2012). Mastering Information Technology for CXC CSEC CAPE. Learning Tree Publishers, West Sussex.
- Akacho, E. N. (2014). *Factors Influencing Provision of Health Care Service Delivery in Kenya. A Case of UasinGishu District Hospital in Eldoret* (Unpublished project report) University of Nairobi, Nairobi.
- Alloubani, A. M, Almatari, M. &Almukhtar, M.M. (2014). Review: Effects of leadership styles on quality of services in health care. *European Scientific Journal vol.10* (18).
- Arend, R.J. & Levesque, M. (2010), “Is the resource-based view a practical organizational theory?” *Organization Science*, Vol. 21 No. 4, pp. 913-30.
- Armstrong, M. (2012). A handbook of human resource management practice, Kogan Page Limited
- Armstrong, Michael, (2008). Strategic Human Resource Management: A Guide to Action, 4th Edition, Kogan Page, London, p.11.

- Asim, M. (2013). Impact of Motivation on Employee Performance with Effect of Training: Specific to Education Sector in Pakistan. *International Journal of Scientific and Research Publications*, 3(9), 1-9
- Atela, M. H. (2013). Health system accountability and primary health care delivery in rural Kenya. An analysis of the structures, process, and outcomes (Unpublished doctoral thesis). University of Cambridge, Cambridgeshire.
- Barker, C., Mulaki, A., Mwai, D. & Dutta, A. (2014). *Assessing county health system readiness in Kenya: A review of selected health inputs*.
- Barney, J. B. (2011). Looking inside for competitive advantage. *The Academy of Management Executive*, 9, (4): 49-61.
- Bhatnagar, S. (2014). *Public service delivery: Role of information and communication technology in improving governance and development impact*. Manila: Asian Development Bank.
- Bhuiyan (2012). "Present Status of Garment workers in Bangladesh: An analysis", *IOSR Journal of Business and Management (IOSRJBM)*, vol. 3, issue 5, pp. 38-44.
- Britnell, M. (2015). *In Search of the Perfect Health System*. London: Palgrave. p. 75.
- Buitendach, J. H. & Witte, H. D. (2005). Job insecurity, extrinsic and intrinsic job satisfaction and affective organisational commitment of maintenance workers in a parastatal, *South African Journal Business Management*, 36(2).

- Burney, S, M; Mahmood, N and Abbas, Z. (2010). Information and Communication Technology in Healthcare Management Systems: Prospects for Developing Countries, *International Journal of Computer Applications*, 4 (2), 10-45
- Chege, S. and Wanjiku, R. (2010). Strengthening the Capacity of African Civil Society Organisations Through Distance-Learning Training. Nairobi.
- Cooper, R. D., & Schindler, S.P. (2004). Business Research Methods. 8th Ed Boston: Irwin McGraw-Hill.
- Dancey, C. and Reidy, J. (2004) Statistics without Maths for Psychology: using SPSS for Windows. Prentice Hall, London.
- Demerouti, and R. Cropanzano (2010). “From thought to action: employee work engagement and job performance”, *Work Engagement: A Handbook of Essential Theory and Research*, Psychology Press, Hove, pp. 147-163
- Dimba, B., & Obonyo P. (2009). The Effect of Strategic Human Resource Management Practices on Performance of Manufacturing Multinational Companies in Kenya: Moderating Role of Employee Cultural Orientations and Mediating Role of Employee Motivation. Proceedings of the International Conference on Human Capital Management in University of Nairobi, July 22 – 24.
- Economist Intelligence Unit (2011). The future of healthcare in Africa. Retrieved from <http://www.Janssmea.com/sites/default/files/The%20Future%20of%20Healthcare%20in%20Africa>

- European Observatory on Health Systems and Policies Series. (2007). *Decentralization in healthcare*. Berkshire: McGraw-Hill Companies.
- Faleye, O., & Trahan, E. A. (2014). Labour friendly corporate practices: Is what is good for employees good for shareholders? *Journal of Business Ethics*, 101(1), 1-27. doi: 10.1007/s10551-010-0705-9
- Frey, Bruno S. and Osterloh, Margit (2012) *Stop Tying Pay to Performance*. Harvard Business Review
- GoK, (2015), Kenya Health Bill 2015, Government Printers, Nairobi
- GoK, (2016). Kenya reproductive, maternal, new-born, child and adolescent health (RMNCAH) investment framework. Nairobi: Government Printer.
- Guay, R. (2013). The relationship between leader fit and transformational leadership. *Journal of Managerial Psychology*, 28(1), 55-73.
- Hair, J. F., Tatham, R.L.T., & Black, W.C. (2010). *Multivariate Data Analysis*, fifth ed. Prentice-Hall, UK.
- Hongudomsuk, P. & Srisasalux, J. (2012). A decade of health-care decentralization in Thailand: what lessons can be drawn? *WHO South-East Asia Journal of Public Health* 2012; 1(3):347-356.
- Hynes, G. E. (2012). Improving employees' interpersonal communication competencies: A qualitative study. *Business Communication Quarterly*, 75, 466-475.



- Juma, E. N. & Okibo, W. B. (2016). Effects of strategic management practices on the performance of public health institutions in Kisii County, Kenya. *International Journal of Economics, Commerce and Management* 4(4).
- K'Obonyo, P. Busienei, R. & Ogutu, J. (2013). The effect of human resource strategic orientation on the performance of large manufacturing firms in Kenya: *Prime Journal of Business Administration and Management*, 3, Issue 1, 822-833 (2013).
- Kamau, S. (2014). Effect of Internal Factors on the Profitability of Private Hospitals in Kenya: A Case Study of the Karen Hospital Limited. *International Journal of Social Sciences and Entrepreneurship*, 1(1), 1–5.
- Katua, T., Mukulu, E., & Gachunga, H. (2014). Effect of employee resourcing strategies on the performance of commercial banks in Kenya. *International Journal of Education and Research*, 2(1): 1-20.
- Kavoo-Linge and Kiruri (2013). The effect of placement practices on employee performance in small service firms in the information technology section in Kenya, *International Journal of Business and Social Science*, 4(15) 213- 219
- Khaunya, M. F., Wawire, B. P. & Chepng'eno, V. (2015). Devolved governance in Kenya: Is it a false start in democratic decentralization for development? *International Journal of Economics, Finance and Management* 4 (1).
- Kottke, J. L., & Pelletier, K. L. (2013). Measuring and differentiating perceptions of supervisor and top leader ethics. *Journal of Business Ethics*, 113, 415-428. doi:10.1007/s10551-012-1312-8

- Kuria, L. K., Namusonge, G.S. & Iravo, M. (2016). Effect of leadership on organizational performance in the health sector in Kenya. *International Journal of Scientific and Research Publications*, vol. 6 (7).
- Lencer, O. D. (2015). Factors Influencing Uptake of National Hospital Insurance Fund Cover by Rural Households in Kasipul Division, Rachuonyo South Sub County, Homa Bay County. *Journal of Business and Management*, 2(3), 30–35.
- Lenka, S. R. & George, B. (2013). Integrated health service delivery: Why and how? *National Journal of Medical Research*, 3(3).
- Lowe, G. (2012). How employee engagement matters for hospital performance. *Healthcare Quarterly*, 15(2), 29-40.
- Lunenburg, F. C. (2011). Expectancy theory of motivation: Motivating by altering expectations. *International Journal of Management, Business, and Administration*, 15(1), 1-6.  
Retrieved from <http://www.nationalforum.com>
- Majumber, J.H. (2012). HRM practices and employee satisfaction towards private banking sector in Bangladesh, *international Review of Management and Marketing*, 2 (1): 52-58. *Management*, 19(7), 1278-1297.
- Marangu, W.N., Odindo, R. & Egessa, R. (2015). An assessment of the effect of leadership style on the performance of public health service providers: A case of Western Kenya. *European Journal of Business and Management*, 7 (19).

- Millar, P. and Stevens, J. (2012), ‘’ Management training and national sport organization managers: examining the impact of training on individual and or organizational performances’’ sport management review vol 15 no 3
- Mimbi, L. & Bankole, F. O. (2015). ICT and health system performance in Africa: A multi method approach.
- Muchiri, A. W., Okello, B., & Wagoki, J. (2016). Use of National Health Insurance Fund Platform as a Competitive Strategy in Enhancing Performance of Private Hospitals in Nakuru Town, Kenya, 18(4), 112–119. <http://doi.org/10.9790/487X-180402112119>
- Muchomba, F. & Karanja, N. (2015). Influence of devolved governance and performance of the health sector in Kenya. *The Strategic Journal of Business & Change Management Vol. 2* (51) 67-105.
- Mugenda, O. M. & Mugenda, A. G. (2003). Research Methods; Quantitative and Approaches 4th edition. Acts Press, Nairobi
- Mugenda, O.M, & Mugenda, A.G (2002). Research methods, quantitative and qualitative approaches, Nairobi Acts press.
- Mwamuye, M. K. & Nyamu, H. M. (2014). Devolution of health care system in Kenya: A strategic approach and its implementation in Mombasa County, Kenya. *International Journal of Advanced Research*, 2(4), 263-268.

- Mwangi, J. G. (2016). Factors influencing medical practitioners' use of information communication technology in provision of health services in Kenya. *Strategic Journal of Business & Change Management*, 3(1).
- Nyongesa, M. W., Onyango, R. & Kakai, R. (2014). Determinants of clients' satisfaction with healthcare services at Pumwani Maternity Hospital in Nairobi-Kenya. *International Journal of Social and Behavioural Sciences*, 2(1), 011-017.
- Odhiambo, M.E. (2015). *A framework for implementation of e-health in Kenya public hospitals* (Thesis). Strathmore University. Retrieved from <http://su-plus.strathmore.edu/handle/11071/4875>.
- Ojaka, D., Olango, S. & Jarvis, J. (2013). Factors affecting motivation and retention of primary health care workers in three disparate regions in Kenya. Retrieved from <http://www.human-resources-health.com/content/12/1/33> 30/11/2016.
- Okech C. T., & Lelegwe L.S., (2016). Analysis of Universal Health Coverage and Equity on Health Care in Kenya, *Global Journal of Health Science*; Vol. 8, No. 7
- Omondi, K. B. (2016). *Factors influencing service delivery in public hospitals: A case of Nairobi City County, Kenya* (Unpublished project report). University of Nairobi, Nairobi.
- Osman, I., Ho, F. and Carmen, M. (2011). The relationship between human resource practices and firm performance: An empirical assessment of Firms in Malaysia. *Business Strategy Series*, Vol. 12, No. 1, pp. 41-48.

- Otieno, S. O. & Macharia, D. (2014). Factors influencing utilization of health services in Kenya: The case of Homa Bay County. *International Journal of Public Health Science*, 3(4).
- Otuko, A. H., Chege, K. & Douglas, M. (2013). Effect of Training Dimensions on Employee's Work Performance: A Case of Mumias Sugar Company in Kakamega County. *International Journal of Business and Management Invention*, 2(9), 138-149
- Oyugi, B.O. (2014). Potential Impact of Devolution on Motivation and Job Satisfaction of Healthcare Workers in Kenya: Lessons from early implementation in Kenya and experiences of other Sub-Saharan African Countries. *The Journal of Global Healthcare Systems*, 5(1).
- Rizwan Q.D and Ali U. (2010). Impact of reward and recognition on job satisfaction and motivation. An empirical study from Pakistan. *International journal of business and management*
- Saunders, M., Lewis, P., & Thornhill, A. (2007). *Research methods for business students*, 5th edition, Great Britain, Prentice Hall.
- Shahzad, F., Luqman, R., Khan, A., & Shabbir, L. (2012) Impact of Organizational Culture on Organizational Performance: An Overview. *Interdisciplinary Journal of Contemporary Business Research*, 3(9)
- Shuck, M. B., Rocco, T. S., & Albornoz, C. A. (2011). Exploring employee engagement from the employee perspective: Implications for HRD. *Journal of European Industrial Training*, 35, 300-325.

- Waiganjo, E., Mukulu, E., & Kahiri, J. (2012). The relationship between Strategic Human Resource Management and Firm Performance of Kenya's Corporate Organizations, *International Journal of Humanities and Social Science* 2 (1), 63- 68.
- Wavomba, P. & Sikolia, S.F. (2015). Research in the quality of service delivery in public hospitals, Kenya. *Journal of Pharmacy and Biological Sciences, Vol. 10* (6).
- World Health Organization (2011). Health Situation Analysis in the African Region, Fig. 38, p 34.
- World Health Organization. (2010). *Health Systems Financing: The Path to Universal Coverage*. Geneva: World Health Organization; 2010.
- Wright, P.M., Gardner, T.M., & Allen, M.R. (2004). The relationship between HR practices and firm performance: Examining causal order. *Personnel Psychology* 58,
- Yamane, T. (1967). *Statistics: An Introductory Analysis*. (2nd ed.), New York: Harper and Row.
- Yukl, S. (2013). *Leadership in Organizations (8th Ed.)*. England: Pearson Education Limited.

## **APPENDIX 1: QUESTIONNAIRE LETTER OF TRANSMITTAL**

**ESTHER MAHIRI**

**PO BOX 19225 - 00100**

**NAIROBI**

**Email:** mahiriessy@gmail.com

Dear Respondent,

I am an MSC student at Kenyatta University. Currently, am conducting a research to investigate the influence of human resource management practices and performance of healthcare facilities in Nairobi City County. The results of the study formed a basis for formulating ways of enhancing better performance through generated components of HRMP of healthcare facilities of Nairobi city County, Kenya.

In answering the questions be assured that your responses were treated with the utmost confidentiality and the answers provided was used for this research purpose only. Kindly read each question and kindly tick or write as appropriate.

If you have a query regarding this research please feel free to contact me through my mobile phone number 0721777040 or Chairman Department of Human Resource Management Kenyatta University P.O Box 43844 Nairobi.

Thank you for your cooperation.

Yours Faithfully

Esther Mahiri (D58/CTY/PT/29900/2014).

## **APPENDIX II: QUESTIONNAIRE**

### **KENYATTA UNIVERSITY**

#### **HUMAN RESOURCE MANAGEMENT PRACTICES AND PERFORMANCE OF DEVOLVED HEALTHCARE FACILITIES IN NAIROBI CITY COUNTY, KENYA**

This study regards the effect of Human Resource Management Practices and performance of devolved healthcare services in Nairobi City County. The information given in the questionnaire was treated in strict confidence and used for academic purposes only. All respondents' names were anonymous. Kindly indicate your response in the appropriate place.

#### **SECTION A: BACKGROUND INFORMATION OF RESPONDENTS**

Please specify your answer by placing a (✓) on the relevant answers provided.

- 1) Gender  
Female      ( )      Male      ( )
- 2) What is your age bracket?
  - a) Below 30 years      ( )
  - b) 31 – 40 years      ( )
  - c) 41 – 50 years      ( )
  - d) Above 50 years      ( )
- 3) Which of the following best describes your position?
  - a) Top Management      ( )
  - b) Medical officers      ( )
  - c) Support officers      ( )
- 4) What is your highest level of your education?
  - a) Secondary      ( )
  - b) Tertiary      ( )
  - c) Degree      ( )



d) Masters ( )

e) PHD ( )

g) Others. (Specify).....

**SECTION B: HUMAN RESOURCE MANAGEMENT PRACTICES**

6. To what extent do you agree with the following statements concerning employment security in the organization? Please indicate the level of your agreement with each.

**Key** 5= Strongly Agree                      4= Agree                      3= Neutral  
2= Disagree                      1= Strongly disagree

<b>A</b>	<b>Employment security</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
1.	Employees are encouraged to join a worker's union to protect unilateral dismissal.					
2.	Policies are in place to safeguard employee job loss.					
3.	Employees are hired on a contract basis					
4.	Individual personal characteristics are considered in engaging employees					
5.	Collective bargaining agreement is implemented					

7. To what extent do you agree with the following statements concerning employee resourcing in the organization Please indicate the level of your agreement with each?

**Key** 5= Strongly Agree                      4= Agree                      3= Neutral  
2= Disagree                      1= Strongly disagree

<b>b</b>	<b>Employee resourcing</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
6.	County jobs are publicly advertised					
7.	Preliminary screening is conducted for all potential employees					
8.	The organization prefers getting employees from external sources					
9.	The organization prefers getting employees from internal candidates					
10.	The County conducts personality skills test during the recruitment exercise					

8. To what extent do you agree with the following statements concerning employee training in the organization Please indicate the level of your agreement with each?

**Key** 5= Strongly Agree      4= Agree      3= Neutral  
2= Disagree      1= Strongly disagree

<b>c</b>	<b>Employee training</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>
11.	Employee training is conducted for new employees					
12.	Employees are assigned supervisors to guide					
13.	Courses and Seminars are conducted in the organization					
14.	Employee training programs are well planned and designed					
15.	Job rotation is conducted routinely in the County					
16.	There are plans and adequate budget for employee training activities					



No.	Political factors	5	4	3	2	1
a.	Organization appointed leaders make decisions that directly impact my job					
b.	Elected leaders influence work practices					
c.	Management decisions have an effect on my job					
d.	Political stability improves our performance					
e.	Our performance is always affected by the elections in our country					

8) Suggest any other dimensions of human resource management practice at your organization  
 .....

**SECTION C: PERFORMANCE**

11. Explain to what extent the use of human resource management practices strategies in your organization has influenced performance in the following terms.

KEY

5= Strongly Agree                      4= Agree                                      3= Neutral  
 2= Disagree                              1= Strongly disagree

a.	Effectiveness	5	4	3	2	1
1	The organizational objectives are in line with the organization's goals					
2	Members of staff are fully utilized to meet the organization's goals.					
3.	The organizations always achieve its objective within the set time frame					

4	The organization continuously assesses customer satisfaction					
b.	<b>Efficiency</b>					
5.	The organization compares progress made in the organization from time to time					
6.	The organization delivers its services/products promptly without any delay					
7.	The organization responds to customers complain in a timely manner					
8.	The organization makes optimal use of its financial resources.					
d.	<b>Service Delivery</b>					
9.	Services provided are at par with laws and regulations					
10.	Service review is periodically done					
11.	Service benchmarking with other service providers is done.					
12.	Services are continuously improved					

**END OF QUESTIONNAIRE**

**APPENDIX III:**

**NAIROBI CITY COUNTY HEALTH FACILITIES**

1. Mama Lucy Kibaki District Hospital Location: Umoja, Off Kangundo Road	2. Mbagathi District Hospital Location: Mbagathi way	3. Pumwani Maternity Hospital Location: General Waruinge street, Eastleigh
4. ShauriMoyo Location: ShauriMoyo estate shopping centre	5. Muthurwa Location: Muthurwa market/bus terminus	6. Bahati H/C Location: Bahati Estate
7. Jerusalem Clinic Location: Jerusalem estate	8. Ngaira H/C Location: Off HaileSELLASIE Avenue, next to government press	9. Rhodes Chest clinic Location: Ngaira health centre, next to government press
10. Ngara H/C Location: Park Road	11. Kariokor Clinic Location: Opposite ZiWANI shopping centre	12. Pangani Clinic Location: Pangani estate
13. STC Casino H/C Location: Off River Road	14. Huruma Lions H/C Location: Huruma Estate, next to Huruma grounds	15. Lagos Rd. Disp.
Location: Lagos Road, next to Marble Arch Hotel	16. Mathare Police Depot Location: Mathare Police Post shooting range	17. Mathare North H/C Location: Mathare North estate
18. Kariobangi North H/C Location: Old Kariobangi estate	19. Kasarani H/C Location: Kasarani DC's office	20. Kahawa West H/C Location: Kahawa West estate
21. Babadogo H/C Location: Babadogo road, Ruaraka	22. NYS H/C Location: National Youth Service H/Q, Ruaraka	23. GSU Hq H/C Location: GSU hqRuaraka

24. Kamiti Prison H/C Location: Kamiti	25. Ruiru PSTC Location: Ruiru prison	26. CID Hq's Disp. Location: Nairobi Area Police Hq
27. GSU Ruiru Disp. Location: Ruiru GSU camp	28. Westlands H/C Location: Westlands	29. Kangemi H/C Location: Waiyaki way, Kangemi
30. Highridge H/C	31. Karura H/C Location: Kiamburd next to Muthatiga golf club	32. Lady Northey H/C Location: State House rd
33. State House. Clinic Location: State House	34. Kabete Approved Sch. H/C Location: Kabete Approved Sch	35. State Hse. Dispensary Location: State Hse Girls school
36. Lower Kabete Location: Lower Kabete	37. MjiwaHuruma Disp. Location: MjiwaHuruma, Runda	38. KARI 9Muguga) h/C Location: Muguga, Naivasha Road
39. Waithaka H/C Location: Waithaka suburb	40. Riruta H/C Location: Riruta shopping centre	41. Ngong Rd H/C Location: Karen
42. Woodley Clinic Location: Woodley estate MugoKibiru Rd DISTRICT FACILITIES SATELLITE CLINIC	43. Dagoreti Approved Sch. h/C Location: Dagoreti Approved Sch	44. Langata H/C Location: Otiende estate
45. Jinnah Clinic	Location: Langata	46. Karen H/C Location: Hardy, Karen
47. Kibera DO H/C Location: DC's office	48. Langata Women Prison H/C Location: Langata Women Prison	49. Nairobi West Prison H/C Location: Nairobi West Prison
50. Uhuru camp H/C Location: Uhuru AP camp	51. Kibera DO H/C Location: Kibera slums	52. KiberaAmref H/C Location: Kiberainishaba

53. GSU Kibera H/C Location: GSU Kibera quarters	54. Kayole 1 H/C Location: Kayole 1 estate	55. Kayole II H/C Location: Kayole II estate
56. Umoja H/C Location: Umoja II estate	57. Embakasi H/C Location: Embakasi village	58. GSU Embakasi H/C Location: GSU Employee training School
59. APTC Embakasi H/C Location: APTC Embakasi		60. Dandora 1 H/C Location: Dandora 1 estate, Komarok road
61. Dandora 11 H/C Location: Dandora II estate	63. Njiru H/C Location: Njiiru shopping centre, Kangundord	64. Kariobangi South Disp. Location: Kariobangi South estate
9. MAKADARA	65. Makadara H/C Location: Jogoord, Hamza estate	66. Mbotela Location: Mbotela estate, jogoord
67. Jericho H/C Location: Jericho Lumumba estate	68. Hono Clinic Location: HonoCrescent Jericho	69. Ofafa 1 Clinic Location: Ofafa 1
70. Maringo Clinic Location: Maringo	71. Loco H/C Location: Nairobi Railway Station, Industrial area	72 MOW Dispensary Location: MOW sports club
73. Kaloleni Dispensary Location: Kaloleni estate shopping centre	74. Railway employee training Institute (South B) Dispensary Location: Railway employee training Institute (South B)	75. South B Clinic Location: South B, next to a shopping centre
76. Police Band Dispensary Location: South C	77. LungaLunga H/C Location: LungaLunga informal settlement	78. Nairobi remand Home H/C Location: Industrial area