

**THE EFFECT OF COMPENSATION ON PERFORMANCE OF
HEALTHCARE STAFF IN KENYA: A CASE OF PRIVATE HOSPITALS
IN NAIROBI**

BY

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D53/CE/12294/04

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF BUSINESS
ADMINISTRATION (HRM) OF THE SCHOOL OF BUSINESS
KENYATTA UNIVERSITY**

OCTOBER 2007


Khatunyi, Evelyn
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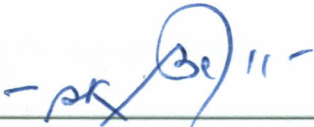
DECLARATION

This is my original work and has not been presented for a degree in any other university.

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ACKNOWLEDGEMENT

I wish to express my appreciation to my supervisor Mr. Bett Shadrack whose tireless efforts, thoughts and insights helped me in furthering my knowledge and completing this project.

To my classmates, especially Busolo Christine and Datche Evelyn who taught me the spirit of hard work, persistence and teamwork.

I do thank my friend Andrew Tendwa, my parents and my daughter Natalie Achitsa for their untiring assistance and encouragement for the entire period I was on the course.

Finally all glory is to the Almighty God.

ABSTRACT

The natural goal of any compensation formulae is to distribute income equitably based on capital, productivity and time in the organization. Managers are therefore searching for ways to increase productivity by linking compensation to performance. Employee performance if properly administered is seen as a necessary tool to obtain, maintain and retain a productive workforce. The aim of this study is to collect data that will be coded and analyzed to explain the effect of compensation on performance of health care staff in Kenya. Private hospitals in Nairobi province have been chosen because they operate in a competitive environment which is conducive for the study. The objectives of the study include, finding out if compensation has led to the attainment of the hospitals goals, reduced its employees labour turnover, increased employee motivation and led to the need for life long career development among staff which may be taken as determinants of performance. Literature review has been done and documented in chapter two on major issues of the study including compensation and organizational goals, compensation and employee performance, compensation and employee motivation, compensation and employee labour turnover and lifelong career development. The study's independent variable is compensation. The dependent variable is performance which is determined through attainment of organizational goals, low employee labour turnover, employee motivation and the need for lifelong career development. The study will adopt a descriptive research design in which out of a proportion of 60 a sample size of 35 will be taken. The sampling technique that will be used will be stratified random sampling. Data will be collected using questionnaire method and analyzed using descriptive statistical techniques which will include tables, percentages frequencies and proportions. The research expects at the end of the study to establish that compensation leads to attainment of organizational goals, employee motivation and reduces employee labour turnover among others.

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LIST OF ABBREVIATIONS

AMREF:	African Medical Research Foundation
FBO:	Faith Based Organization
GOK:	Government of Kenya
HRD:	Human Resource's Development
HRM:	Human Resource Management
HR'S:	Human Resources
KMA:	Kenya Medical Association
MTC:	Medical Training College
MOH:	Ministry of Health
NHIF:	National Hospital Insurance Fund
NGO:	Non-governmental Organization
SADC:	South African Developing Countries

DEFINITION OF TERMS

Compensation is the money and benefits that organizations give employees in exchange for work. It comprises of salary, indirect payments in form of benefits and employee incentives.

Employee Performance is defined as the degree to which employees accomplish job requirements. This is measured on both individual and group levels.

The healthcare staff in Kenya includes doctors, Dentists, pharmacists, pharmaceutical Technologists, Registered Nurses, Enrolled Nurses, Clinical officers, public Health officers and public Health Technicians.

Private Hospitals are health facilities identified as hospitals according to the complexity of their operations; by whether or not they are NHIF approved for inpatient reimbursement and also by the presence of visiting specialist physicians etc. They are expected to provide both curative inpatient and outpatient care.

Motivation is the process in which people choose between alternative forms of behaviour in order to achieve personal goals such as monetary reward, promotion, self esteem or job satisfaction.

Objectives / Goals are the ends toward which an activity is aimed. They represent not only the end point of planning but the end toward which management functions are aimed.

Labour Turnover is the movement of people into and out of the firm.

CHAPTER ONE

INTRODUCTION

This chapter is an introduction to a study on the effect of compensation on performance of healthcare staff in Kenya, a case of private Hospitals in Nairobi. The chapter contains several sections including the background, the problem and objectives among others.

1.1 BACKGROUND TO THE STUDY

Compensation is defined by Hall (1986) as, the money and benefits that organizations give employees in exchange for work. It comprises of pay or salary, indirect payments in form of benefits and employee incentives (Okumbe, 2001). Salary is paid for total contributions while financial incentives are paid to specific employees whose work is above standard. Benefits and services are available to all employees based on their membership in the organization. Compensation is an important and complex part of the organization-employee relationship. According to Griffin (2004), basic compensation / salary, is necessary to provide employees with the means to maintain a reasonable standard of living. Compensation also provides a tangible measure of value of the individual to the organization. Fringe benefits satisfy the social human relations and macro-economic goals.

Griffin (2004) added that, if employees do not earn enough to meet their basic economic goals, they will seek employment elsewhere. Likewise, if they believe that their contributions are undervalued by the organization, they may exhibit poor work habits, low morale and little commitment to the organization. According to Werther et al (1993), pay dissatisfaction leads to detract from the organization's productivity and decline in the quality of work, may lower performance, increase grievances or cause them to quit. Poor compensated jobs can lead to absenteeism and other forms of employee withdrawal.

Overpayment on the other hand causes anxiety, guilt and discomfort, reduces the firms competitiveness and its ability to provide jobs.

Management in any organization is concerned with attracting and keeping employees whose performance meets at least minimum levels of acceptability and at keeping absenteeism and turnover to tolerable levels. That is why their compensation contracts will aim at rewarding employees in such a way that they can strive to maximize firm performance and shareholders wealth. The manner in which workers respond to incentives provided to them through compensation plays a significant role in determining both their individual level of performance and the performance of the organization as a whole.

Employee performance is defined by Milkovich (1990) as, the degree to which employees accomplish job requirements. It can be measured on both individual and group levels. Performance evaluation requires performance standards which are the benchmarks against which performance is measured. Job analysis uncovers specific performance criteria by analyzing the performance of existing employees. Performance on the job can be assessed at all levels of employment such as personnel decision relating to promotion, job rotation, job enrichment etc. Performance measurement should be balanced in terms of financial, customer satisfaction, process effectiveness and workforce capacity measures.

In some ways, such assessments are based on objective and systematic criteria, which include factors relevant to the person's ability to perform on the job. Decisions are then made affecting the future of the individual employee. According to Scott R.B. (2000), rewarding behavior ties compensation to performance in some way. This is because compensation plans need to reward behavior that adds value to the organization's quality of work, initiative, creativity, teamwork and leadership.

Managers throughout the world according to Ivancevich et al (1994) are searching for ways to increase productivity by linking compensation to performance. Employee compensation if properly administered is an effective tool to obtain, maintain and retain a productive workforce.

Since compensation can signal what behaviors are most valued, it has the potential of influencing both strongly individual productivity and the strategic direction of the company (Werther 1993). A study by Sakwa (2004) reveals that, majority of private hospitals are professionally run and are keen to be competitive based on market rates. It is therefore important that total compensation that targets attraction, motivation and retention of employees apply an integrated strategy (Okumbe 2001).

1.1.1 The healthcare sector

The healthcare sector comprises the public system, with major players being the Ministry of Health (MOH), Parastatal organizations and the private sector which includes private for profit, Non Governmental Organizations (NGO) and (FBO) Faith Based Organizations.

Health services are provided through a network of over 4,700 health facilities country wide with the public sector system accounting for about 51% of these facilities (The National Health Sector Strategy Plan 1999-2004). The public health system consists of National referral hospitals, provincial general hospitals, district hospitals, health centers and dispensaries. Private hospitals and clinics provide between 30 and 40% of the hospital beds in Kenya. The healthcare staff keeps on increasing each year. They include doctors, dentists, pharmacists and pharmacy technologists, Bachelor of Science nurses, registered nurses, enrolled nurses, clinical officers, public health officers and public health technicians.

According to the National Health Sector strategy plan 1999-2004 Kenya's health system comprises both an official and unofficial sector. That is, the official system fall within the regulatory purview of the ministry of health, which is statutorily required to submit returns to the health information systems department at the ministry of Health? The unofficial system comprises those health institutions and providers over which the ministry of health has no control for example, traditional healers.

The Kenyan Health system has expanded rapidly as a result of commitment on the part of the post independent government to make modern healthcare services accessible and affordable. This expansion was achieved by increased GOK allocations to the health sector and non-restrictive policy environment toward private provision of health services .The MOH is responsible for national health policy. It is also the main actor, the largest provider of health services in the Kenyan healthcare system. The permanent secretary is responsible for planning , budgeting and development while the Director of Medical services is responsible for hospitals and other health facilities, training and medical research. The medical practitioners and Dentists Board is responsible for approving private hospitals and clinics and for overall supervision of the practice of medicine by qualified physicians and dentists in the country. A senior Deputy Director of medical services is responsible for coordinating NGO and private health provider's activities.

Private health facilities include; hospital, health center, dispensary, health clinic, maternity home , nursing home, medical center, mobile clinic , special health institutions, health programs and community pharmacies. Nursing homes provide inpatient and a limited range of out patient services. They are mostly run by clinical officers and nurses with a visiting physician. Maternity homes on the other hand provide ante -natal, post natal services, and are service delivery points for immunizations and other mother and child services.

1.1.2 Private hospitals in Nairobi

A data for decision making by AMREF shows that the private sector has grown from a few providers when Kenya became independent of British rule in 1963. This has been fueled in part by the government's decision in the late 1980s to allow clinical officers, nurse-practitioners and pharmaceutical technologists to engage in private provision of health services. The private health sector in Kenya can be classified according to economic orientation as either for profit or not for profit, by ownership, by type of facility, by therapeutic system and by whether or not they are formal or informal.

Private hospitals in Kenya are identified as hospitals according to the complexity of their operations by whether or not they are NHIF approved for in patient reimbursement and also by the presence of visiting specialist physicians. Hospitals are expected to provide both curative inpatient and outpatient care. Facilities identified as hospitals in Kenya vary enormously in size, in the range and quality of services that they provide. A few like Nairobi Hospital and AGA Khan are equipped with the state-of-art technology. A typical private hospital in Kenya has at least pediatric, maternity and general wards, a few with private wards and listed the NHIF as the principal mode of payment by its clients.

The Kenya Medical directory (2003) indicates that there are 184 private hospitals in the country and 60 in Nairobi. According to research by Mwangi (2001), the growth of private hospitals is a recent phenomenon that has led to its booming in the 1990s. Large ones in Nairobi like Nairobi Hospital and AGA Khan with bed capacity of over 100 compete intensively among themselves and are likely to attract the best staff. The strategic plan 1999-2004 reveals that specialization by hospitals in offering medical services to particular groups such as children and women is a recent development. Nairobi women's hospitals and Gertrude's Garden Children's Hospital are such entities that have differentiated their services to meet particular customers.

Mwangi (2001) shows that, hospitals though social organizations have got out of the open and started advertising their services. It is therefore important that private hospitals ensure a high performance of their staff through compensation so as to compete favorably.

1.2 STATEMENT OF THE PROBLEM

The healthcare sector is an area that has been threatened by brain drain with most of its trained staff seeking greener pastures overseas. Others prefer self-employment or operate private clinics to generate more income. Studies done (Lipinge Scholastika et al 2006) confirm remuneration package as the cause of retention and exit of health professionals. Also the mushrooming of private hospitals since the 1990s has led to growth in product competition (Mwangi 2001).

Organizations are therefore more constrained than ever in making compensation decisions and as result are faced with an incredible tension between needing to compete for the best labour and working within the constraints of the ability to pay. Studies have been done outside Kenya, to determine the effect of remuneration on workers' performance; Kingma Mireile (2003) Switzerland, Ajila & Abiola (2004) Nigeria and Lipinge Scholastika, Kathe, Lucille and Monika (2006) Namibia among others. They found a relationship between performance and compensation.

However, local studies have only concentrated on how the compensation package is determined in different organizations; Njoki (2000), Sakwa (2004) and Muthigani (2005). It is against this background that the purpose of this study was to find out the effect that compensation has on performance of healthcare staff in private Hospitals in Nairobi. The problem was hence stated as; despite private hospitals determining and administering compensation schemes, it is not clear how these schemes affect the performance of employees.

1.3 RESEARCH OBJECTIVES OF THE STUDY

The general objective of this study was to investigate the effect of compensation on the performance of Healthcare staff in private hospitals in Nairobi. Specifically the study aimed to:

- 1) To find out if compensation has led to the attainment of organizational goals in private Hospitals within Nairobi.
- 2) To establish if compensation has reduced labour turnover at the said hospitals in Nairobi.
- 3) To determine if compensation has increased motivation of staff in the said hospitals in Nairobi.
- 4) To examine the relationship between compensation of staff and the need for lifelong career development.

1.4 RESEARCH QUESTIONS

The study was guided by the following questions;

- 1) Has compensation led to attainment of the organizations goals in private hospitals in Nairobi?
- 2) Has compensation reduced labour turnover in private hospitals in Nairobi?
- 3) Has compensation increased motivation of staff in private hospitals in Nairobi?
- 4) Has compensation catered for commitment and the need for life-long career development in private hospitals In Nairobi?

1.5 SIGNIFICANCE OF THE STUDY

This study was to be useful to:

- 1) Top management of private Hospitals who will understand the effect of compensation on staff performance and be able to address problems arising from motivational approaches in the organizational set up.
- 2) Staff of Nairobi's Private Hospitals who will appreciate the compensation provided and improve performance so as to meet organizational goals.
- 3) The government and especially the ministry of health because the results could be used to influence and shape the development of the human resource development policy in the ministry.
- 4) The stakeholders in provision of healthcare services who wish to improve on their performance by developing strategies that could prevent loss of skilled health personnel to their competitors.
- 5) Scholars and academicians who wish to further research on this topic.

1.6 THE SCOPE OF THE STUDY

This study was confined to private healthcare staff with specific emphasis on Nairobi province. The target population and respondents included a sample of the 60 private hospitals including nursing and maternity homes.

1.7 RESEARCH ASSUMPTIONS

This study was based on the following assumptions:

- 1) A good compensation package leads to good employee performance.
- 2) A poor compensation package leads to poor employee performance.
- 3) A good compensation package reduces employee labour turnover by increasing their motivation.
- 4) The indicators of good performance are attainment of organizational goals, low employee labour turnover, increased motivation and need for lifelong career development by staff.

1.8 LIMITATIONS OF THE STUDY TWO

- 1) Due to the sensitivity of the topic (money) some of the human resource managers refused to give data and claimed it was against the hospital policy. In these cases the data was given by the healthcare staff.
- 2) Financial and time constraints limited the research to a sample of Nairobi Private hospitals.
- 3) Bearing in mind the hectic nature of the healthcare work some respondents were either unable to complete the questionnaire or fill it within the time frame. The researcher had to be very patient and persistent.

CHAPTER TWO

2.1 Compensation / Remuneration

For the purpose of this study the word compensation was used to refer to the monetary and non-monetary terms remunerated to employees.

Compensation is related to the performance of work plus the many things which the human mind desires besides survival as provided for by employees (Hall 1986).

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION TO LITERATURE REVIEW

This chapter is a literature review on major issues of this study including compensation / remuneration, motivation, labour turnover and performance among others. Studies done by Kingma Mireile, Switzerland (2003), Ajila & Abiola, Nigeria (2004), Delbanco Suzanne, Washington (2005) & Lipinge Scholastika et al , Namibia (2006) will be reviewed. Compensation decision making is a critical organizational activity, Flippo (1984) argues that compensation is both a potentially powerful influence on employee's behaviours and attitudes to employers and at the same time a reward that is a source of both economic and psychological income to employees. However a study by Sakwa (2005) reveals the following factors considered by private hospitals when making compensation package decisions in the order of importance; professional qualifications, external equity, ability to pay , minimum wage, cost of living, internal equity, competition among hospitals, educational qualifications, performance, demand and supply and gender.

2.2 PAST STUDIES DONE IN THE AREA

2.2.1 Compensation / Remuneration

For the purpose of this study the term compensation will be used interchangeably with the terms remuneration and total reward. Compensation may be defined as money received in the performance of work plus the many kinds of benefits, incentives and services that organizations provide their employees (Hall 1986).

Money is included under direct compensation known as wages while benefits come under indirect compensation and may consist of life, accident and health insurance, employer's contribution to retirement, pay for vacation and employers required payments for employee's welfare as a social security.

(Mamoria & Gankar 2001).

Incentives link financial rewards to individuals, group or corporate performance on the basis of their own improved performance in order to enhance productivity (Okumbe, 2001). In many organizations the largest item in the budget is wages and salaries. According to Hall & Goodale (1986), an effective compensation should ideally accomplish the following objectives;

- a) Link compensation policies and practices to the organizations strategic business objectives.
- b) Provide fair treatment for all employees resulting in equal pay for comparable work.
- c) Link financial rewards to clear objective measures of outstanding performance.
- d) Maintain equity between compensation levels in the organization and compensation rates in the external labour market.
- e) Provide sufficient flexibility so that the mix of pay and benefits provides the type of reward which employees need and value the most.
- f) Deliver compensation in a way that in addition to the above functions is also maximally cost effective and controlled.

Compensation plays a vital role to an employee; money satisfies a wide range of needs according to Maslow's hierarchy of needs, while pay and benefits help attract and retain employees for they are important tools in recruiting talented people to the organization. Similarly when one is considering leaving a job, improved salary and other financial inducements are often effective ways to influence him/her to stay.

Money can reward good performance. It is a potential motivator to excellent performance and should be linked to performance in a way that is clear to employees. The pay system can be used to reinforce and define the organizational structures and culture (Griffin 2004).

Kingma Mireile (2003) in his study in Switzerland found that nurses represent the largest category of healthcare staff and provide 80% of direct patient care. Incentives were found to be inappropriate for nurses and concern was voiced as to the criteria used for determining success.

The study found that the majority of nurses prefer an increase in basic salary, improve work environment, educational programmes better focused on nurses' interest, added health benefits, social events to improve team spirit, rewards in kind and choice of incentive. The study concluded that nurses are affected by economic incentives/ disincentives and recommended improvement on nurses' salary to be comparable, provision of a just compensation for job related expenses, introduction of promotional opportunities within the clinical area and making available a range of financial direct and indirect reward

Ajila & Abiola (2004) in their study in Nigeria found that employee's remuneration package matters a lot and should be a concern of both the employers and employees. The results of the study showed that workers place great value on the different rewards given, they tend to express displeasure through poor performance and non-commitment to their job. The study stressed the importance of a good remuneration policy on the performance of workers and the different kinds of rewards that influence workers to perform better on a job and called for employers' sense of commitment to put in place appropriate incentive plans that will encourage workers to be more purposeful and improve their performance

A study by Delbanco Suzanne (2005) in Washington D.C revealed that incentives can raise the quality of patient care although such programmes can be complicated to implement. The study found out that incentive models engaged physicians in quality improvement and brought patients particularly those with chronic illness, in to receive crucial medical care sooner than they otherwise would. The existing financial incentives in healthcare need therefore realignment. There is evidence that rewarding performance can encourage doctor to provide appropriate care to patients to help them live longer and healthier lives.

Lipinge Scholastika et al (2006) in Namibia revealed that remuneration was the major factor considered when health professionals leave or stay both in public and private sector. For the case of Namibia, doctors and health inspectors resign to look for greener pastures. Salary restructuring and phasing out automatic promotions causes workers to resign to claim pension which they are not sure to get later (the government invests pension money into institutions that are not financially secure).

The study found out that Namibia has no serious brain drain with key health professionals. This is because it offers competitive salaries to qualified nurses compared to other SADC countries. Most nurses and social workers stay in the public because, compared to the private sector, the government offers the best and cheapest medical aid and housing subsidies as benefits. The study recommended revision of the remuneration package from time to time.

2.2.2 Compensation and Organizational goals

Goals and objectives according to Koontz, (1988) are terms used interchangeably to mean the ends toward which an activity is aimed. They represent the end point of planning and towards which organizing, staffing, leading and controlling are aimed .Goals is what an individual is trying to accomplish.

They direct attention of employees, regulate their efforts, enhance persistence and foster strategies and action plans. Goals that are personally meaningful tend to focus ones attention on what is relevant and important. Setting performance goals increases individual, group and organizational performance.

Organizations establish many different kinds of goals that vary by level, area and time frame. The four basic levels of goals according to Griffin (2004) are; the mission, strategic goals, tactical and operational goals. The mission is a statement of an organization's fundamental purpose that sets the business apart from other firms of its type. Strategic goals are set by and for top management of the organization. Tactical goals are set by and for middle managers. They focus on how to operationalize actions necessary to achieve strategic goals. Operational goals are set by and for lower-level managers. Their concern is with shorter-term issues associated with the tactical goals.

Goals serve four important purposes; they provide guidance and a unified direction for people in the organization. Effective goal-setting promotes good planning which facilitates future goal setting. Goals can serve as a source of motivation to employees and goals provide an effective mechanism for evaluation and control. Performance can therefore be assessed in the future in terms of how successfully today's goals are accomplished.

The fact that employees today can be a competitive advantage has led to the growth of a new field known as strategic human resource management which links HRM with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility (Dessler 2004). Strategic HR means accepting the HR function as a strategic partner in both the formulation of the company's strategies as well as in the implementation of those strategies through HR activities such as recruiting, selecting, training and remuneration.

Designers of compensation plans link compensation policies to the strategic business objectives of the organization (Hall & Goodale 1986). This is because they aim at remaining competitive. Okumbe (2001) outlines some of the objectives in HR planning:

- a) to enable an organization to retain the kind of staff it requires
- b) to release the maximum potentials of its human resources
- c) to forecast the likelihood of HR deficits or surpluses
- d) to provide a corrective mechanism
- e) to develop the kinds of Human resources that will enable it to adapt to a changing organizational environment
- f) to develop a reservoir of skilled HR's which limits the extend of external recruitment.

2.2.3 Compensation and Labour turnover

Labour turnover is defined by Graham & Bennett (1998) as the movement of people into and out of the firm. According to Hall et al (1986), HR planners need to take account of the probable losses or attrition from the current manpower supply. The sources of HR losses are deaths, retirement, emigration, withdrawal and changes in occupation. Separations and their consequent replacements can be very expensive. The cost of labour turnover increases when employees are more specialized, more difficult to find and require more training. This costs result from;

- a) Cost of recruitment, selection and medical examination
- b) Training cost
- c) Cost of scrap and spoiled work while job is being learned
- d) Lower production during learning period
- e) Administration cost of removing from and adding to payroll
- f) Lost of production while the employee is being replaced
- g) Possible diversion of efforts of more highly skilled employees while waiting for replacement.

Labour turnover has a number of advantages and disadvantages. It provides an incentive to recruit fresh staff, enables the organization to shed staff more easily, it opens up promotional channels for longer serving employees and reduces an element of self-esteem among new employees which may save dismissals at a later date. However it causes additional costs of replacement, wasted investment in people and may lead to difficulties in attracting new staff (Cole G A 2000). All employers expect to have a certain degree of labour turnover .Many companies would be content if their separation rates are low say between 10% and 15% (Graham and Bennett 1998). The separation rate formulae widely used when measuring labour turnover is;

$$\frac{\text{Number of employee leaving during the year} \times 100}{\text{Average numbers employed during the year}}$$

Average numbers employed during the year

A study done in Namibia by Lipinge Scholastika et al (2006) showed that losses occur due to the movement of health professionals from health sector to other sectors, urban to rural, public to private and vice versa as well as leaving for greener pastures overseas. The reasons include low remuneration and salaries, lack of job satisfaction and lack of career advancement opportunities. The study further found that financial factors, Human resource management issues and occupational and macro-environmental issues are perceived as both push and retention factors for various health professionals at different levels in both public and private sectors. Human relations and physical facilities were identified as pull factors in the private sector.

2.2.4 Compensation and Motivation

Motivation is defined by Venkatta R & Srivastava B.K. (2005), as the process of need-arousal, propelling a person to channelize his energies and efforts in the direction of seeking satisfaction of that need. Most human resource management strategies are meant to optimally utilize the capabilities of individuals and groups towards achievement of organizational objectives.

Motivation is a personalized phenomenon which can be shaped in work organizations by changing the situational characteristics. It is possible to channelize the energy of people in desirable productive pursuits and maintain that behaviour at high intensity level.

The overriding theories in this study are Vroom's expectancy theory and Adam's Equity theory. The expectancy theory asserts that the more attractive an employee considers a particular reward and the higher the probability that the exertion of effort will lead to that reward, then the more effort the individual will put into his or her work. The equity theory on the other hand has it that an employee's own assessment of whether he or she is being fairly treated is a major factor influencing motivation. Workers are assumed to compare their personal reward with those of colleagues and to feel aggrieved if they believe that they are relatively under rewarded (Graham & Bennett 1998).

An employee's motivation to work consists of all drives, forces and influences that cause the employee to want to achieve certain aims. Managers need to know about the factors that create motivation in order to be able to induce employees to work harder, faster, more efficiently and with greater enthusiasm. Employees are motivated in part by the need to earn a living and partly by human needs. The organization's reward system (pay, fringe benefits, job security, promotion opportunities) may be used to achieve the need to earn a living (Graham & Bennett 1998).

According to Ajila & Abiola (2004) rewards can either be intrinsic or extrinsic. Intrinsic rewards stem from rewards that are inherent in the job itself and which the individual enjoys as a result of successfully completing the task or attaining his goals.

Extrinsic rewards on the other hand are those that are external to the task of the job such as pay, fringe benefits, work condition, security, promotion, contract of service and the work environment. An intrinsically motivated individual will be committed to his work to the extent to which the job inherently contains tasks that are rewarding to him or her.

An extrinsically motivated person will be committed to the extent that he can gain or receive external rewards. In their study, Ajila & Abiola (2004) found that in Nigeria, earlier studies had failed to confirm the hypothesis that low income earners were intrinsically motivated. Instead wage differentials and poor remuneration contributed to low morale, lack of commitment and low productivity. An earlier study by Wood (1974) had revealed that highly involved employees who were more intrinsically oriented towards their job did not manifest satisfaction commensurate with company performance. They depended more on intrinsic rewards as compared to those who were more extrinsic in orientation.

Kingma Mireille (2003) in a study on Switzerland found that individuals interacting within a social setting are known to be subject to intrinsic and extrinsic motivation often manipulated or managed to strategically meet societal and organizational goals. Incentives among nurses were found to be helpful in addressing performance as opposed to motivating excellence.

Lipinge Scholastika et al, (2006) in Namibia found that lack of management support was characterized by lack of motivation, a non-caring culture and no professional recognition among healthcare staff. The system did not motivate staff through any informal rewards and recognition. The study recommended a supplement of the Herzberg motivation theory that claims that money alone does not motivate but it can keep employees morale and productivity at an acceptable level.

2.2.5 Compensation and lifelong career development

Venkatta R. & Srivastava B.K.(2005), define career development as a set of programmes designed to match an employee's needs, abilities and goals with current or future opportunities within the organization. Career development programmes require both individual and organizational actions. These include active involvement of employees in planning their own career and the willingness on the part of organizations to develop more flexible policies and practices. The design of work, performance analysis, reward and recognition system and promotion and career advancement systems are necessary conditions for making career and succession planning an important tool for harnessing the human potential.

A study by Kingma Mireille (2003) found that in Switzerland, economic incentives had an influence on career choices as well as priority setting within an assigned list of duties. Most nurses had a positive attitude towards the employers who supported continuing education and a lifelong learning approach. The economic incentives welcomed and thought to be positive were limited to education- related financed rewards. This resulted in general appreciation for professional development opportunities provided to them.

Research findings in Namibia by Lipinge Scholastika et al, (2006) were that staff development opportunities were limited for nurses with no reward for staff who complete training except a once off bonus. New skills acquired are not recognized by placing them in departments where these skills can be used making training irrelevant. Doctors interviewed agreed that there is no active career programmes for them. Hospital managers interviewed said they had problems with regard to HRD as a result of a shortage of competent staff. There was no continuous education such as refresher courses for practicing staff. Apart from doctors and nurses there was little or no assistance for most staff to achieve the extra skills and qualifications that merit promotions.

As a result most left or could not perform for according to Martineau et al (1996) good performance requires among other things the capacity to do the job.

The public health sector in Namibia provides more career paths than the private sector. Social workers and health inspectors interviewed felt that study leave and fellowships offered by the public sector encouraged them to stay on. Health professionals in the private sector agreed that one gets more practical experience in the public sector which has specialized departments unlike private hospitals. As retention strategy recommendations were made to have compulsory continuous education so that more health professionals are encouraged to acquire more knowledge and skills. Suggestions were made to create more opportunities for health professionals to attend workshops for new programs and a mechanism designed to monitor and evaluate the impact resulting from the training attended. Training opportunities should be open to all health staff to facilitate continuous professional development as prescribed by the country's Nursing Act 8 of 2004.

2.2.6 Compensation and performance

Good remuneration has been found over the years to be one of the policies the organization can adopt to increase their workers performance and thereby increase their workers productivity. With the global economic trend most employers have realized that performance of their employees goes along way in determining the success of the organization. According to a study by Ajila & Abiola (2004) in Nigeria, an organization must know who are its outstanding workers, those who need additional training and those not contributing to the efficiency of the organization.

In Nigeria, interest in effective use of rewards to influence workers performance to motivate them begun in the 1970s. The performance of workers has been important as a result of the increasing concern of human resources and personnel experts about the level of output obtained from workers due to poor remuneration.

In a study carried out by Jibowo (1977) on the effect of motivators and hygiene on job performance there was support for the influence of motivators on job performance as found in Herzberg's two factor theory of motivation.

Bergum & Lehr's (1984) in their study investigated the influence of monetary incentives and its removal on performance. They found that the subjects in the experimental group who received individual incentives performed better than those in the control group

Ajila & Abiola (2004) in their study tested two hypotheses. The results showed that there is a significant relationship between extrinsic reward and workers performance. This is in line with equity theory which emphasizes that fairness in the remuneration package tends to produce higher performance from workers. These findings collaborated the work of Akerele in 1991 who observed that poor remuneration in relation to profits made by the organization, wage differentials between high and low income earners among other things contributed to low morale, lack of commitment and low productivity.

Their second hypothesis which stated that there was significant relationship between intrinsic rewards given to workers and their performances was rejected. The findings of Egwuridi (1981) had supported this research work because his hypothesis that low income workers will be intrinsically motivated was not confirmed and the expectation that higher income workers will place a greater value on intrinsic reward than low income workers was also not confirmed. In conclusion Ajila & Abiola (2004) emphasized that it is a well known fact that human performance of any sort is improved by increase in motivation. Workers reward package matters a lot and should be a concern for both employers and employees. When these rewards are not given, workers tend to express their displeasure through poor performance and non commitment to their job.

2.3 A CRITICAL REVIEW OF MAJOR ISSUES

The aim of compensation contracts is to reward employees in such a way that they strive to maximize firm performance and shareholders wealth. However, compensation alone can not guarantee good performance. There is need to balance among other factors, the availability of facilities., knowledge and skills, goal clarity, a suitable repertoire, knowledge of structures, a functioning feed back, sound mental models, a supportive environment and leadership. Managers therefore strive to strike a balance of these factors in search of good performance. Compensation that does not recognize employee achievement, improve their self esteem may lead to industrial unrest and occupational stress. In the end more time is wasted for employees tend to concentrate on individual goals at the expense of the organizational objectives.

2.4 SUMMARY AND GAPS TO BE FILLED

The literature reviewed by this study shows findings of a similar study in different countries. In Switzerland it was concluded that nurses an example of healthcare staff are affected by compensation policies. In Nigeria the study concluded by stressing the importance of good remuneration policy that leads to good performance and commitment. In Washington DC the study found that good remuneration encouraged doctors to provide appropriate care to patients. In Namibia remuneration was found to be the major factor considered when the healthcare staff leave or stay in both public and private health sector.

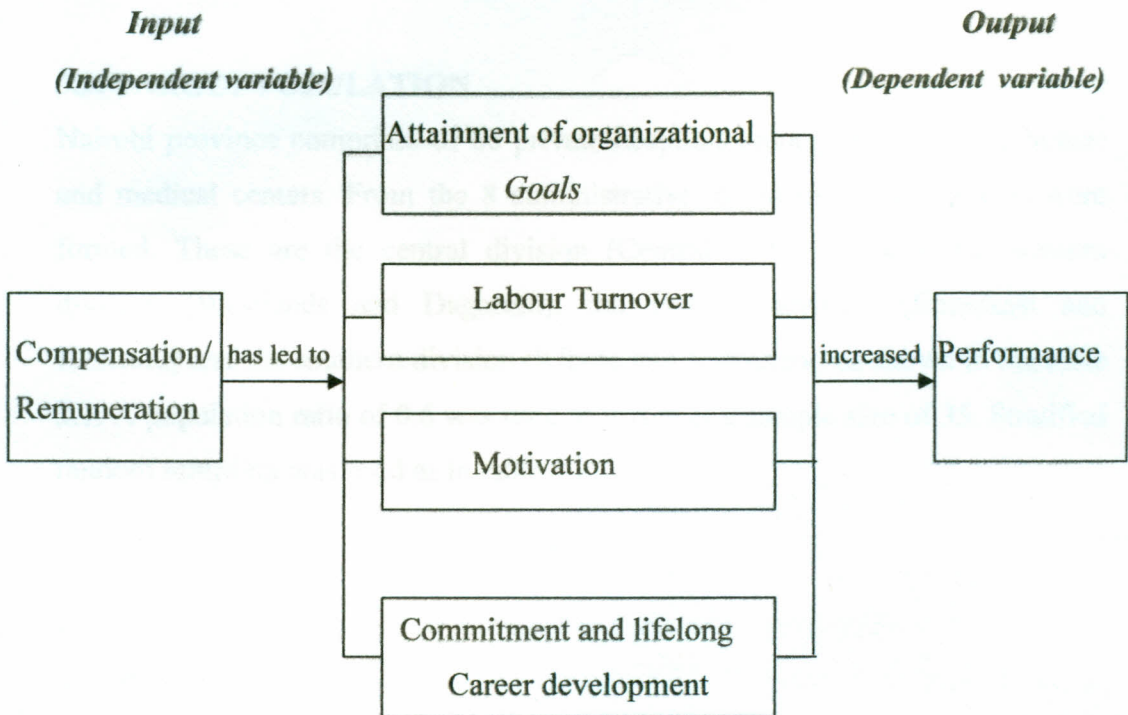
This study will therefore provide information that will assist the ministry of health and many service providers understand the extent to which remuneration affect performance. As a result they will lay down policies that will improve the performance of staff and institutions dealing with human health. Kenyans health needs can then be met with efficiency making them to be more productive in all aspects of life not to mention economic development.

2.5 THE CONCEPTUAL FRAMEWORK

Remuneration/Compensation policies affect the organization positively and negatively. When good remuneration policies are adopted, there is increased employee motivation, low employee labour turnover, attainment of organizational goals and need for life-long career development. As a result there is increased performance leading to increased productivity.

On the contrary, bad remuneration/Compensation policies reduce motivation of employees, increasing the rate of labour turnover. This reduces the commitment of employees who may not see the need of developing their careers. As a result there is poor performance which reduces productivity. Organizational goals can not be achieved because the employees will look for alternative means of achieving individual goals. Compensation of employees is taken as the independent variable while performance is the dependent variable.

Figure 2.1 Conceptual Framework



Source: Author 2007

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. INTRODUCTION

To be able to find out the effect of compensation on performance of healthcare staff, Nairobi province was chosen as a case study because it represents the largest number of private hospitals in the country. It is assumed that private hospitals in Nairobi are likely to have regular patients due to the existence of varied income levels and therefore more established (Sakwa, 2005). Nairobi province has one district, 8 divisions and 50 locations. The 8 administrative divisions were paired to form 4 divisions that were used in collection of data.

3.2. STUDY DESIGN

The study used was descriptive research design which is appropriate in fact finding.

3.3. TARGET POPULATION

Nairobi province comprises of 60 private hospitals among them nursing homes and medical centers. From the 8 administrative divisions 4 sub samples were formed. These are the central division (Central and Pumwani), the western division (Westlands and Dagoretti), the Eastern division (Embakasi and Kasarani) and the southern division (Kibera and Makadara) as shown in the table 3.1. A population ratio of 0.6 was used to arrive at a sample size of 35. Stratified random sampling was used as in table 3.2.

Table 3.1 Population Distribution

<i>Division</i>	<i>Population</i>	<i>Percentage</i>
Central Nairobi	24	40
Western Nairobi	14	23
Southern Nairobi	12	20
Eastern Nairobi	10	17
Totals	60	100

Source: Author 2007

Table 3.2 Sample Size

<i>Division</i>	<i>Population</i>	<i>Population ratio Number</i>	<i>Sample Size</i>
Central Nairobi	24	0.6	14
Western Nairobi	14	0.6	8
Southern Nairobi	12	0.6	7
Eastern Nairobi	10	0.6	6
Totals	60	-	35

Source: Author 2007

3.4. DATA COLLECTION PROCEDURES

Primary and secondary data was collected from the respondents captured by way of questionnaire, structured in a way that respondent's perception of compensation and its effect on performance was established.

The data captured using a questionnaire was from either the human resource representatives who are involved in recruiting and managing the staff, preparing and administering the compensation policy, planning and making decisions in the organization or any healthcare staff at the hospital. Each institution was given a questionnaire that was both structured and unstructured to ensure comparability of the data and easy understanding by the respondents. A 'drop and pick later method' was used.

3.5 DATA COLLECTION INSTRUMENT

The questionnaire comprised 6 sections;

Section A had items seeking demographic data while section B on the compensation policy formulation so as to understand the factors considered while compensating employees. Section C consisted of items which collected information that tested the employee's attitude on the effect of compensation on attainment of organizational goals. Section D on compensation and employee labour turnover, section E on compensation and employee motivation and section F on compensation and need for lifelong career development. Confidential treatment of information was assured by advising them not to include either their names or that of the institution. The questionnaire was tested before final data collection to check for its validity. The respondents were treated as professionals and not male and female.

3.6. DATA ANALYSIS

Raw data collected was checked for accuracy and completeness after which descriptive statistical techniques were used to summarize the obtained data. These included percentages, tables, pie charts, bar charts, and proportions which were used to establish the number and proportion of respondents, responding positively, negatively and indifferently. A narrative summary of the open ended questions was done. A statistical package for social sciences (SPSS) was used as an aid to analyze the obtained data.

CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.1 INRODUCTION TO DATA ANALYSIS

This chapter gives a systematic and comprehensive discussion of data collected during the study. The main concern was to investigate the effect of compensation on performance of health care staff in Kenya. The study was guided by the following research questions:

- 1) Has compensation led to attainment of the organizations goals in private Hospitals in Nairobi?
- 2) Has compensation reduced labour turnover in private hospitals in Nairobi?
- 3) Has compensation increased motivation of staff in private hospitals in Nairobi?
- 4) Has compensation catered for commitment and the need for life-long career development in private hospitals In Nairobi?

The data collected was analyzed descriptively and presented using statistical presentation as follows.

4.2 RESPONSES TO BACKGROUND/DEMOGRAPHIC INFORMATION

Table 4.1: Age of institution

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 0-10 years	18	51.4	51.4	51.4
11-20 years	15	42.9	42.9	94.3
over 20 years	2	5.7	5.7	100.0
Total	35	100.0	100.0	

Source: Author 2007

When asked about the age of the institution all the 35 respondents answered as follows according to table 4.1. 51 percent of the hospitals were less than 10 years old, 43 percent less than 20 years old and only 6 percent were over 20years old. This shows that there is a steady increase in growth of healthcare business over the last 20 years. The age of the institution enabled one to compare performance over a number of years.

Table 4. 2: bed capacity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 - 50 beds	32	91.4	94.1	94.1
	51 - 100 beds	1	2.9	2.9	97.1
	Above 100	1	2.9	2.9	100.0
	Total	34	97.1	100.0	
Missing	System	1	2.9		
Total		35	100.0		

Source: Author 2007

From table 4.2, it was observed that 91.1 percent of 34 respondents had a bed capacity of below 50 beds, one respondent with over 50 beds, one with above 100 beds while one respondent did not want to disclose this information. The low percentage (5.9 percent) of bed capacity reveals that most private hospitals operate at a small capacity of 1-50 beds. The current bed capacity determined the size of the hospital and number of staff employed.

Table 4.3: Number of staff employed

	No. of Respondents	Minimum	Maximum	Mean	Std. Deviation
No. of Doctors	34	1	38	4.88	7.44
No. of Dentists	24	0	2	0.96	0.62
No. of Pharmacists	32	1	10	1.84	1.80
No. of Nurses	35	1	36	11.09	8.34

Source: Author 2007

Asked to give details of the number of staff employed all the 35 respondents only revealed the minimum number of nurses as 1 and maximum as 36. 34 respondents had a minimum number of doctors as 1 and a maximum of 38 including consultants. 32 respondents had a minimum number of pharmacists as 1 and a maximum of 10. Only 24 respondents gave a minimum number of dentists as zero and a maximum of 2. Table 4.3 therefore showed that the smaller the hospital the smaller the number of healthcare staff employed while bigger private hospitals had more staff.

Table 4.4: Hospital ownership

Who owns the hospital?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Religious origin	2	5.7	5.7	5.7
Private company	23	65.7	65.7	71.4
Association of members	6	17.1	17.1	88.6
Community trust	1	2.9	2.9	91.4
Other	3	8.6	8.6	100.0
Total	35	100.0	100.0	

Source: Author 2007

Hospital ownership enabled the researcher to confirm if private hospitals were business entities and whether they were profit making or not. Table 4.4 shows that 65.7 percent of the private hospitals were private companies, 17.1 percent were owned by association of members, 2.9 percent by community trust, 5.7 percent by religious origin while 8.6 percent of the respondents did not disclose their ownership. The data clearly indicated that being private companies private hospitals in Nairobi were profit making entities and operated under a competitive environment.

Table 4.5: Level of competition facing hospital

Level of competition facing hospital

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very high	4	11.4	11.4	11.4
	Fairly high	31	88.6	88.6	100.0
Total		35	100.0	100.0	

Source: Author 2007

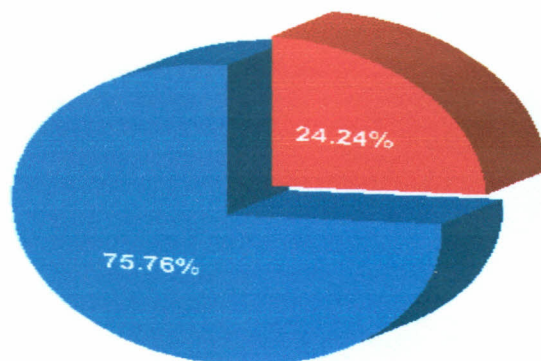
It was necessary to establish if there was competition among private hospitals. From table 4.5 above, most respondents confirmed that private hospitals are facing competition amongst themselves. 88.6 percent of the 31 respondents faced a fairly high competition while 11.4 percent of the 4 respondents faced a very high competition. This competition forced private hospitals in Nairobi to product specialization to particular groups such as children and women and by disease. The competition also led to better compensation package compared to their counter parts in the public hospitals.

4.3 RESPONSES TO COMPENSATION POLICY FORMULATION

Figure 4.1: Policies governing compensation of staff



Ples show counts



Source: Author 2007

The researcher sought to establish whether private hospitals in Nairobi had policies governing compensation of healthcare staff. This gave an inside to its components and its consideration. Asked if their hospitals had policies governing, 24.24 percent of the 33 respondents indicated that their hospitals lacked policies governing compensation of staff; while 75.76 percent had them. 2 respondents did not give the information. This showed that private hospitals in Nairobi have compensation policies as shown in figure 4.1. It also showed that they were keen on providing a compensation package with the aim of attracting and retaining qualified staff who could then work to achieve the hospitals goals.

It was necessary for the researcher to find out the extent to which particular issues like demand and supply, internal and external equity, competition, organizations ability to pay and educational qualifications. The 25 respondents who had said that they had compensation policies were further asked to say the extent to which these issues influenced their compensation policies. Table 4.6 shows that demand and supply of staff had a response of 18.2 percent thus very important, 39.4 percent important and 27.3 percent somewhat important. However, 6.15 percent respondents showed that the demand and supply of staff was not at all considered important while 9.1 percent said it was not important. It can therefore be said that private hospitals in Nairobi considered the demand and supply of staff important when making the compensation package for their healthcare staff.

FACTORS INFLUENCING COMPENSATION PACKAGE

Table 4.6: Demand and supply

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all important	2	5.7	6.1	6.1
Not important	3	8.6	9.1	15.2
Somewhat important	9	25.7	27.3	42.4
Important	13	37.1	39.4	81.8
Very important	6	17.1	18.2	100.0
Total	33	94.3	100.0	
Missing System	2	5.7		
Total	35	100.0		

Source: Author 2007

Concerning internal equity the responses were varied as shown in table 4.7 below 80 percent respondents said internal equity was considered to be very important and 6.7 percent somewhat important. Alternatively only 6.7 percent respondents said internal equity was not at all important and 6.7 percent was not important. These showed that internal equity was very important and has been considered while designing compensation policies by private hospitals in Nairobi.

Table 4.7: Internal equity

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all important	2	5.7	6.7	6.7
Not important	2	5.7	6.7	13.3
Somewhat important	2	5.7	6.7	20.0
Very important	24	68.6	80.0	100.0
Total	30	85.7	100.0	
Missing System	5	14.3		
Total	35	100.0		

Source: Author 2007

Table 4.8: External equity

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	13	37.1	46.4	46.4
	Not important	7	20.0	25.0	71.4
	Somewhat important	5	14.3	17.9	89.3
	Important	2	5.7	7.1	96.4
	Very important	1	2.9	3.6	100.0
	Total	28	80.0	100.0	
Missing	System	7	20.0		
Total		35	100.0		

Source: Author 2007

According to table 4.8 above, seven out of the 35 respondents did not say whether external equity was considered when designing compensation policies for the healthcare staff. However, 46.4 percent indicated that external equity was not at all important while 25 percent said that it was not important. Contrary 17.9 percent of the respondents indicated that external equity was somewhat important, 7.1 percent said it was important and 3.6 percent said it was very important. It was therefore clear that most private hospitals in Nairobi did not consider external equity like they considered internal equity when designing their compensation package for their healthcare staff.

Table 4.9: Competition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	2	5.7	6.1	6.1
	Not important	2	5.7	6.1	12.1
	Somewhat important	12	34.3	36.4	48.5
	Important	15	42.9	45.5	93.9
	Very important	2	5.7	6.1	100.0
	Total	33	94.3	100.0	
Missing	System	2	5.7		
Total		35	100.0		

Source: Author 2007

Only two respondents did not say whether competition was a factor considered when designing compensation policies. According to table 4.9, only 4 respondents with 6.1 percent each said competition was not either at all important or important. However majority of the respondents said, 12 (36.4 percent) somewhat important, 15 (45.5 percent) important and 2 (6.1 percent) very important. This indicated that competition was considered by private hospitals in Nairobi when designing compensation policies. The competition arises from other private hospitals, medical clinics and pharmaceutical operators.

Table: 4.10 Organization's ability to pay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Not at all important	1	2.9	2.9	2.9
	Somewhat important	2	5.7	5.9	8.8
	Important	9	25.7	26.5	35.3
	Very important	22	62.9	64.7	100.0
	Total	34	97.1	100.0	
Missing	System	1	2.9		
Total		35	100.0		

Source: Author 2007

According to table 4.10.above, 64.7 percent of the respondents considered the organization’s ability to pay very important and 26.5 percent important. However only one respondent with 2.9 percent indicated that the organization’s ability to pay was not considered at all important. Two respondents with 5.9 percent said it was somewhat important. It was explicit therefore that an organization’s ability to pay was considered highly when designing compensation policies.

Educational qualifications shown in table 4.11 below are considered very important (81.8 percent) when designing organization’s compensation policy and 9.1 percent important. 3 respondents indicated that it was not important. Private hospitals in Nairobi therefore always considered educational qualifications.

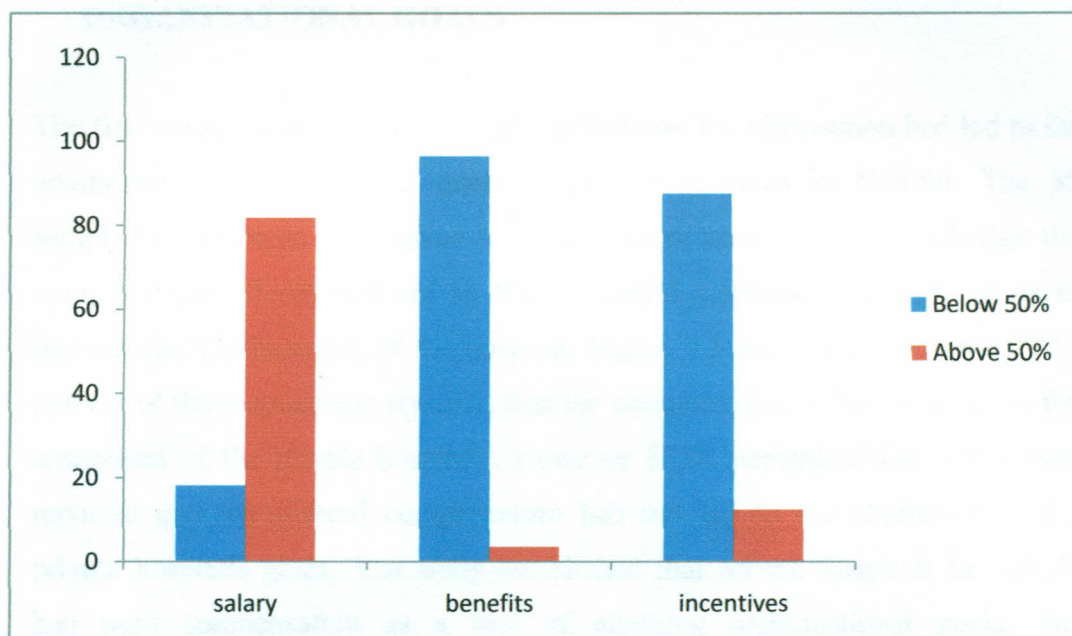
Table 4.11: Educational qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Not at all important	1	2.9	3.0	3.0
Not important	2	5.7	6.1	9.1
Important	3	8.6	9.1	18.2
Very important	27	77.1	81.8	100.0
Total	33	94.3	100.0	
Missing System	2	5.7		
Total	35	100.0		

Source: Author 2007

Figure 4.2 Constitution of the compensation package for employees

	Salary	benefits	incentives
Below 50%	18.2	96.4	87.5
Above 50%	81.8	3.6	12.5
Respondents	33	28	24



Source: Author 2007

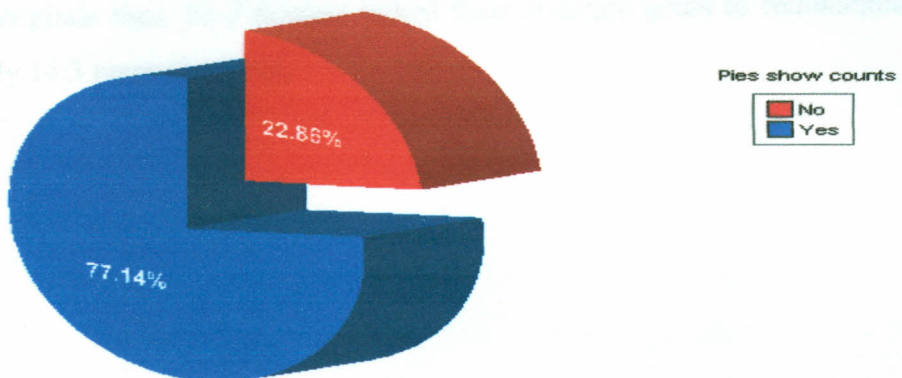
Compensation plays a vital role to an employee. The researcher therefore sought to establish the composition of the private hospitals compensation package so as to understand this role. The respondents were asked to give a percentage at which salary, benefits and incentives constitute the compensation package for their healthcare staff. As shown in figure 4.2.above, 33 respondents thus 81.8 percent had salary constituting above 50% and 18.2 percent below 50% in their compensation package. 28 thus 96.4 percent of the respondents conferred that, benefits constituted below 50% of their compensation package while 24 thus 87.5 percent of the respondents said incentives constituted below 50%.

This shows that a compensation package of private healthcare staff in Nairobi constitutes a salary of 82 %, benefits of 5.5% and incentives of 12.5%. The hospitals can be said to be concentrating more on payment of salary than benefits and incentives. Their compensation package was therefore not all round.

4.4 RESPONSES TO COMPENSATION AND ATTAINMENT OF ORGANIZATIONAL GOALS

The first objective of this study sought to find out if compensation had led to the attainment of organizational goals in private hospitals in Nairobi. The 35 sampled respondents were asked to give a yes or no answer as to whether the compensation offered had led to the successful attainment of goals so as to increase the performance of the hospital. Figure 4.3 below indicates that 77.14 percent of the respondents reported that the compensation offered had led to the attainment of the private hospitals. However 22.86 percent of the respondents reported that the offered compensation had not led to the attainment of the private hospitals goals. The study established that private hospitals in Nairobi had used compensation as a tool of attaining organizational goals. The respondents did not explain their answers as required by the next question.

Figure 4.3 Attainment of goals



Source: Author 2007

The study went further to establish if the healthcare staff would be more motivated to increase their performance by addressing additional issues. Their responses are summarized in the table 4.12 below.94.3 percent of the respondents said that the healthcare staff would be motivated to increase their performance if additional issues on compensation were addressed. Having noted earlier that a small percentage of benefits and incentives were paid, the respondents suggested that this could be improved.

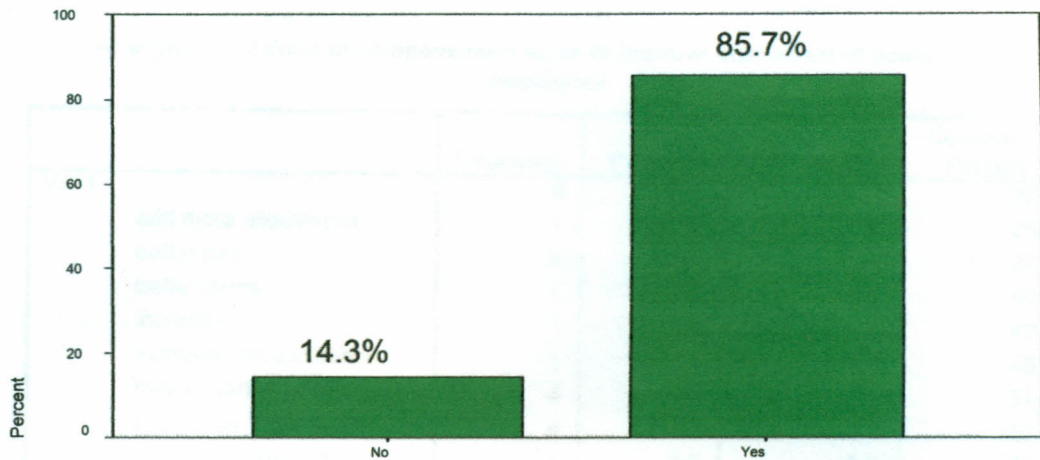
Table 4.12: Addressing additional issues on compensation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid No	2	5.7	5.7	5.7
Yes	33	94.3	94.3	100.0
Total	35	100.0	100.0	

Source: Author 2007

To remain competitive, designers of compensation plans link compensation policies to strategic goals of the organization. In connection with this the respondents were asked if their hospitals linked strategic goals and objectives to HR issues like remuneration. As observed from figure 4.4 below, majority of the private hospitals thus, 85.7 percent linked their strategic goals to remuneration while only 14.3 percent did not.

Figure 4.4: Strategic goals and remuneration



Source: Author 2007

The study also established suggestions from the respondents on what could be done to compensation so as to improve on attainment of goals by the healthcare staff. Table 4.13 below presents these suggestions. The main suggestion was (22.9 percent), to add more allowances; the allowances could then act as incentives to the staff. 17.1 percent suggested payment on merit such that other employees work harder to outshine the rest. 11.4 percent wanted their employee to match pay to performance so that the higher the performance by staff the higher the pay. Others suggested compensation to be matched to the market rates. This would ensure that the compensation provided by private hospitals compares to that provided by other organizations. Better pay and payment on time were also suggested by the few who were not satisfied by the available compensation and the manner it was done. Other suggestions include; increase in risk allowance, private hospitals to provide fringe benefits, reward hard work and allow for specialization. It is clear therefore that more issues of compensation need to be addressed by private hospitals in Nairobi so as to fully attain their organizational goals. According to these data all the respondents showed the need for improvement on benefits and incentives in the compensation package so as to improve on the attainment of the private hospital goals by the employees.

Table 4.13: Suggestions to improve attainment of goals by employees

what you want done to compensation so as to improve attainment of goals by the employees

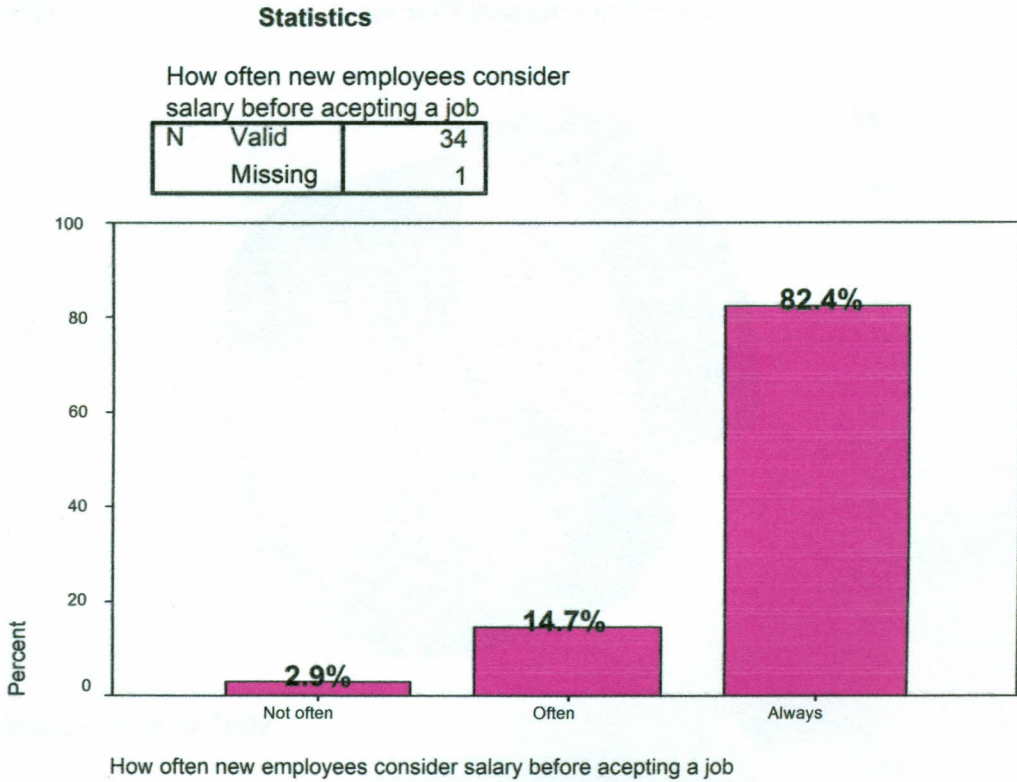
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	8	22.9	22.9	22.9
add more allowances	1	2.9	2.9	25.7
better pay	4	11.4	11.4	37.1
better terms	1	2.9	2.9	40.0
increase	1	2.9	2.9	42.9
increase risk allowance	1	2.9	2.9	45.7
match market rates	4	11.4	11.4	57.1
match pay to performance	4	11.4	11.4	68.6
match performance	1	2.9	2.9	71.4
pay in time	1	2.9	2.9	74.3
payment on merit	6	17.1	17.1	91.4
provide fringe benefits	1	2.9	2.9	94.3
reward hardwork	1	2.9	2.9	97.1
specialisation	1	2.9	2.9	100.0
Total	35	100.0	100.0	

Source: Author 2007

4.5 RESPONSES TO COMPENSATION AND LABOUR TURNOVER

The second objective of the study was to establish if compensation had reduced employee labour turnover in private hospitals in Nairobi. A high labour turnover causes additional costs of replacement and wasted investment in people. Respondents were asked to say how often healthcare staff consider salary before accepting a new job at the hospital. Figure 4.5 gives a summary of the responses. 82.4 percent always consider salary before accepting a new job in private hospitals, 14.7 percent often while only 2.9 percent did not often consider salary. These showed that healthcare staff considers salary before taking up a new job. The respondents did not explain these responses when asked in the question that followed.

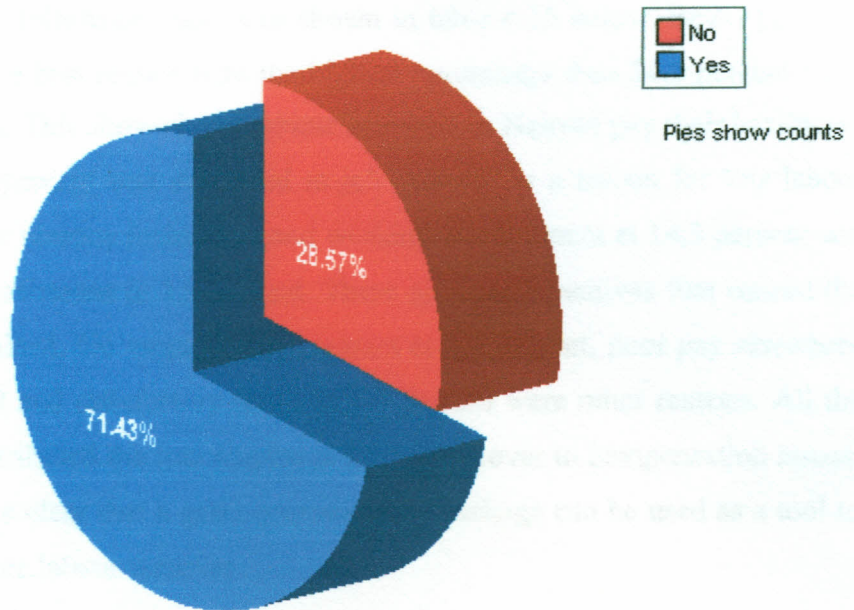
Figure 4.5 considers salary before accepting a new job.



Source: Author 2007

A good compensation package is supposed to attract and retain qualified staff that is able to help the organization in achieving its goals. The respondents were asked to say whether the compensation offered by their hospitals had led to a lower number of staff leaving the hospital. As shown in figure 4.6 below, 25 respondents affirmed by 71 percent while only 26 percent said the compensation offered had not led to a lower number of staff leaving the hospital. This showed that there is a lower number of healthcare staff leaving private hospitals due to the compensation offered.

Figure 4.6: Compensation and staff retention in the hospital



Source: Author 2007

Table 4.14: Level of hospital’s labour turnover.

		Labour turnover			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low	25	71.4	71.4	71.4
	High	10	28.6	28.6	100.0
	Total	35	100.0	100.0	

Source: Author 2007

The researcher sought to find out the level of employee labour turnover facing private hospitals in Nairobi. This was done by asking the respondents to indicate whether it was high or low. 71.4 percent indicated that their labour turnover was low while only 28.6 percent indicated that it was high. None of the respondents explained why it was so from table 4.14 above most private hospitals in Nairobi experienced a low labour turnover as compared to the few that have a high labour turnover.

The study also established suggestions from the respondents on the reasons why the employee labour turnover was low. They attributed the low employee labour turnover to the following reasons as shown in table 4.15 below. Better pay was attributed as the best reason with the highest percentage thus 34.3 percent from 12 respondents. This showed that private hospitals in Nairobi pay their healthcare staff well. 20 percent was attributed to job security as a reason for low labour turnover. Other reasons include a good working environment at 14.3 percent and good working relations at 5.9 percent. These acted as incentives that caused the staff to be retained. No employment contract at 2.9 percent, poor pay elsewhere at 14.3 percent and satisfactory terms at 5.7 percent were other reasons. All the respondents attributed the low employee labour turnover to compensation issues. It was therefore clear that a good compensation package can be used as a tool to reduce employee labour turnover.

Table 4.15: Reasons for low labour turnover

Reasons for low labour turnover				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	12	34.3	34.3	34.3
better pay	5	14.3	14.3	48.6
good working environment	1	2.9	2.9	51.4
good working relations	2	5.7	5.7	57.1
job security	7	20.0	20.0	77.1
no employment contract	1	2.9	2.9	80.0
poor pay	5	14.3	14.3	94.3
satisfactory terms	2	5.7	5.7	100.0
Total	35	100.0	100.0	

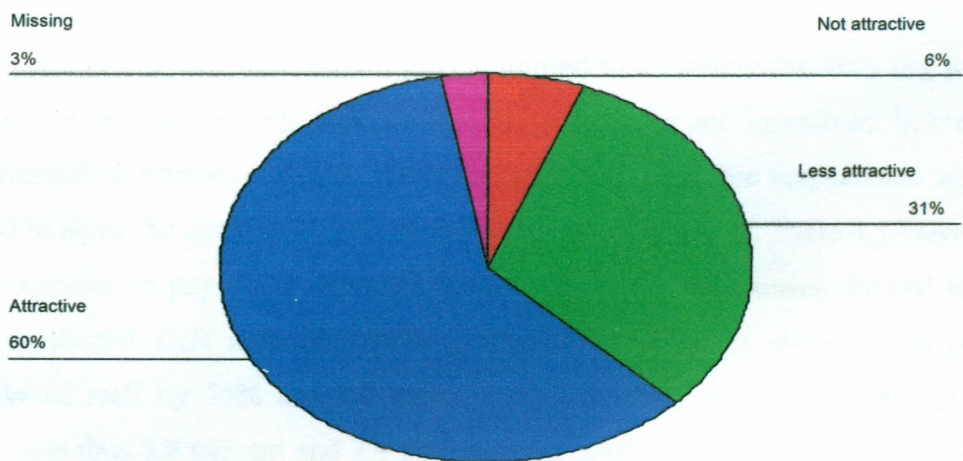
Source: Author 2007

4.6 RESPONSES TO COMPENSATION AND MOTIVATION OF STAFF

The third objective of the study was to determine if compensation has increased motivation of healthcare staff in private hospitals in Nairobi. An employee's motivation to work consists of all drives, forces and influences that cause the employee to want to achieve certain aims. Respondents were asked to rate the attractiveness of their compensation scheme.

Figure 4.7 below gives a summary of the responses. Only one respondent ignored this question. Figure 4.7 indicates that only two respondents at 6 percent rated their compensation scheme as not attractive. 31 percent responses rated as less attractive while 60 percent rated their compensation scheme attractive. This clearly indicated that private hospitals in Nairobi offer an attractive compensation scheme to their healthcare staff.

Figure 4.7 Nature of compensation scheme.



Source: Author 2007

The study further sought to find out if the compensation scheme offered increased the motivation of staff. Respondents were expected to give a no or yes response. From table 4.16 below, 64.71 percent of the respondents confirmed that the compensation scheme offered increased the motivation of staff in their hospitals. Only 35.29 percent denied that the compensation scheme offered by their hospitals did not increase staff motivation. This showed that private hospitals in Nairobi offer a compensation scheme that caters for their employee's motivation.

Table 4.16: Compensation and increased motivation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	12	34.3	35.3	35.3
	Yes	22	62.9	64.7	100.0
	Total	34	97.1	100.0	
Missing	System	1	2.9		
Total		35	100.0		

Source: Author 2007

Extrinsically motivated employees are committed to the extent that they can gain or receive external rewards such as pay, fringe benefits and incentives. In order to establish if extrinsic rewards motivate healthcare staff, the respondents were asked to show the extent to which each reward motivated staff. Table 4.17 shows the responses to pay as an extrinsic reward. 70.6 percent responses showed that pay motivated staff most by 100%. 11.8 percent responses showed that pay motivated staff by 75% and 5.9 percent by 50%. Only a small percentage of responses thus 8.8 percent and 2.9 percent were least motivated by pay. Pay was established as the most motivating extrinsic reward.

EXTRINSIC REWARDS THAT MOTIVATE STAFF MOST

Table 4.17: Pay

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0%	1	2.9	2.9	2.9
	25%	3	8.6	8.8	11.8
	50%	2	5.7	5.9	17.6
	75%	4	11.4	11.8	29.4
	100%	24	68.6	70.6	100.0
	Total	34	97.1	100.0	
Missing	System	1	2.9		
Total		35	100.0		

Source: Author 2007

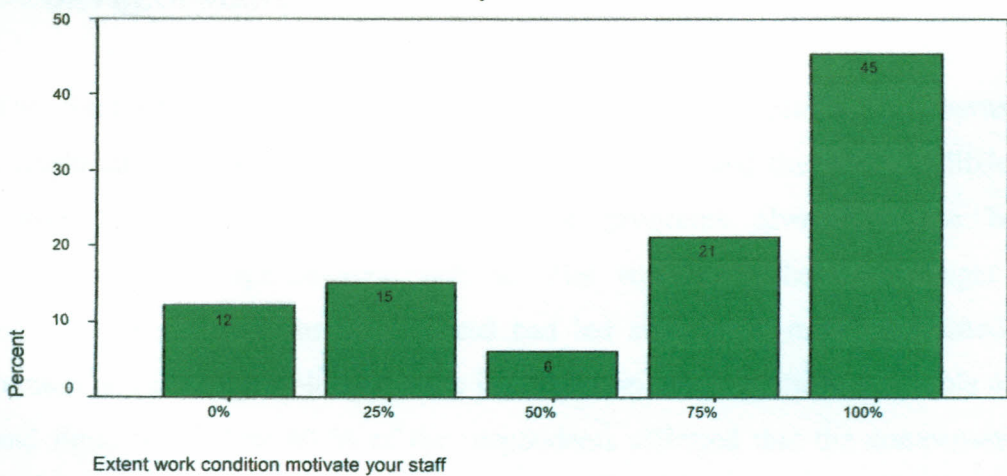
Table 4.18: Fringe benefits

Extent fringe benefits motivate your staff					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0%	9	25.7	30.0	30.0
	25%	15	42.9	50.0	80.0
	50%	3	8.6	10.0	90.0
	75%	3	8.6	10.0	100.0
	Total	30	85.7	100.0	
Missing	System	5	14.3		
Total		35	100.0		

Source: Author 2007

From the table above, it was observed that the highest number of respondents thus 50 percent were only 25% motivated and below. Only 10 percent respondents were 75% and 100% respectively motivated by fringe benefits. This was an indication that healthcare staff in private hospitals was not extrinsically motivated by fringe benefits. Figure 4.8 below indicates that 45 percent of the respondents were 100% motivated by incentives while 21 percent were 75% motivated and 6 percent were 50% motivated. On the other hand 15 percent were only 25% motivated while 12 percent were not at all motivated by incentives. This showed that healthcare staff was motivated by incentives although to a lesser percentage as compared to pay.

Figure 4.8 Incentives



Source: Author 2007

The researcher sought to establish if healthcare staff in public hospitals is motivated to join the private sector due to the compensation offered. Respondents were therefore asked to give the range as summarized in table 4.19 below. 76.5 percent responses were not motivated. Alternatively 14.7 percent responses were up to 50% motivated 2.9 percent up to 75% and only 5.9 percent were up to 100% motivated. This suggested that public healthcare staff is not motivated to join the private sector due to compensation.

Table 4.19 Percentage of staff motivated to join from public sector

Percentage of staff attracted to join your hospital from public sector due to compensation offered

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0 - 25%	26	74.3	76.5	76.5
	25 - 50%	5	14.3	14.7	91.2
	50 - 75%	1	2.9	2.9	94.1
	75 - 100%	2	5.7	5.9	100.0
	Total	34	97.1	100.0	
Missing	System	1	2.9		
Total		35	100.0		

Source: Author 2007

4.7 RESPONSES TO COMPENSATION AND LIFELONG CAREER DEVELOPMENT

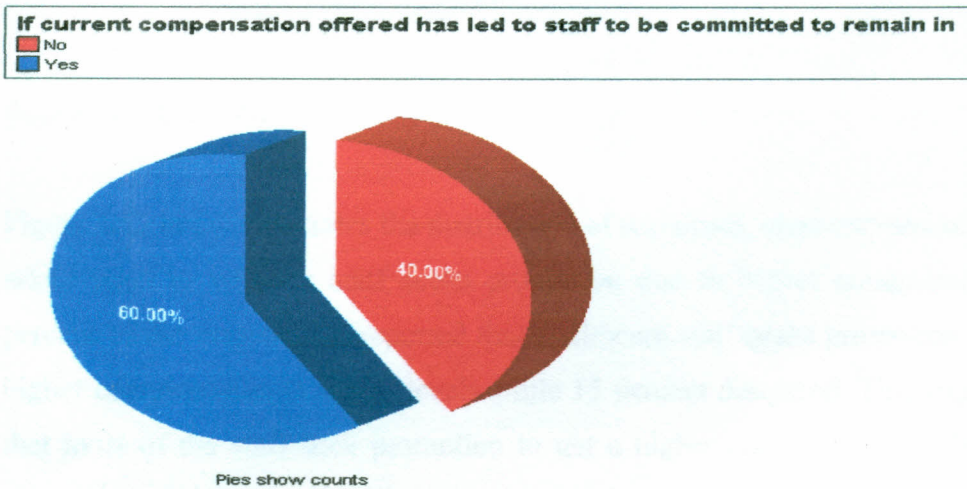
The final objective of the study was to examine the relationship between compensation of healthcare staff in private hospitals and the need for lifelong career development. Career development programs always require both individual and organizational actions. The researcher therefore sought to establish if the compensation offered had led staff to be more committed to remain and develop lifelong careers in their hospital. As indicated in table 4.20 and figure 4.9 below 60 % of the respondents affirmed that the compensation offered had led staff to remain and develop lifelong careers in their hospitals while 40 % did not. No explanation was given by the respondents.

Table 4.20 compensation and development of lifelong careers

If current compensation offered has led to staff to be committed to remain in					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	14	40.0	40.0	40.0
	Yes	21	60.0	60.0	100.0
Total		35	100.0	100.0	

Source: Author 2007

Figure 4.9 compensation and development of lifelong careers.

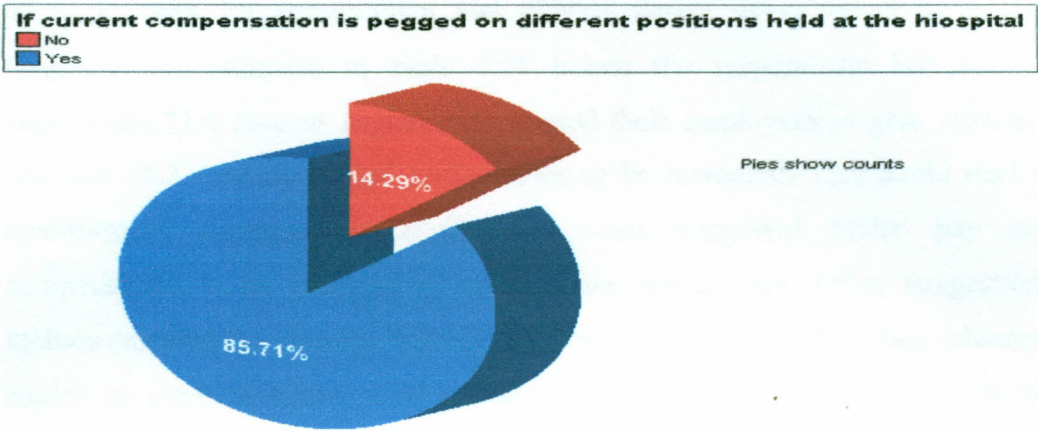


Source: Author 2007

It was established that the compensation offered by private hospitals in Nairobi led to staff commitment and lifelong career development.

The study further wanted to establish whether the compensation offered was pegged on different positions held at the private hospital. 85.71 percent of the respondents reported that the compensation offered in their hospitals was pegged on different positions held. On the other hand only 14.29 percent regarded their compensation as not being pegged on positions held as shown in figure 4.10 below. It was established therefore that the hospitals pegged compensation on positions.

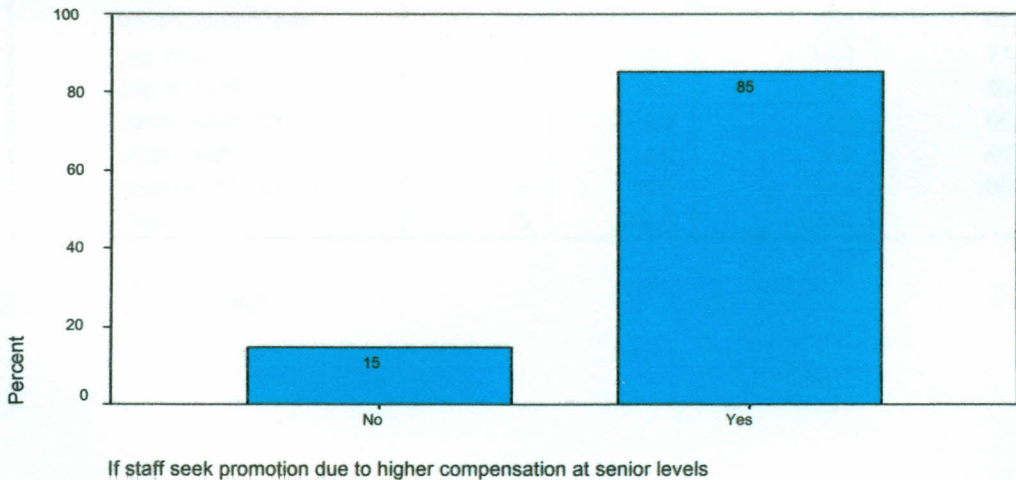
Figure 4.10 compensation and different positions held by staff.



Source: Author 2007

Figure 4.11 below illustrates the distribution of responses when respondents were asked react to whether staff seeks promotion due to higher compensation.85 percent of the respondents reported that healthcare staff seeks promotion due to higher compensation at senior levels while 15 percent disagreed. This suggested that most of the staff seek promotion to get a higher compensation. With this private hospitals were more likely to record high productivity

Figure 4.11 staff promotion due to higher compensation at senior level.



Source: Author 2007

Finally the study established suggestions on what could be done to compensation so as to cater for commitment and lifelong career development by private hospitals. As observed in table 4.21 below the respondents had varying suggestions. 31.4 percent respondents wanted their employers to give attractive pay and 14.3 percent wanted performance to be rewarded. This could lead to commitment amongst the staff. 11.4 percent suggested better pay and compensation to be matched to market rates respectively. Other suggestions include ensuring job security, introducing fringe benefit, providing loan schemes, paying on merit, retraining staff and providing performance contracts. From the respondents suggestions it was established that although private hospitals offered compensation that catered for commitment and lifelong career development, there was still room for improvement.

Table 4.21 Suggestions to improve career development.

What should be done to compensation so as to cater for commitment in private hospital

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	11	31.4	31.4	31.4
attractive pay	1	2.9	2.9	34.3
ensure job security	2	5.7	5.7	40.0
introduce fringe benefits	2	5.7	5.7	45.7
loan schemes	1	2.9	2.9	48.6
match market rates	4	11.4	11.4	60.0
pay better	4	11.4	11.4	71.4
pay on merit	3	8.6	8.6	80.0
performance contracts	1	2.9	2.9	82.9
retrain staff	1	2.9	2.9	85.7
reward performance	5	14.3	14.3	100.0
Total	35	100.0	100.0	

Source: Author 2007

4.8. QUALITATIVE ANALYSIS

Of the respondents interviewed through questionnaire 60 percent indicated that the compensation offered by private hospitals in Nairobi had led to attainment of the hospitals goals, reduced employee labour turnover, increased employee motivation and led to employee commitment and development of lifelong careers. As a result there existed increased performance unlike in the public hospitals.

4.1 SUMMARY OF FINDINGS

Demographic Information

From the findings of the study it was noted that most private hospitals were located in Nairobi. The study was carried out with 80% of the respondents being from Nairobi. The number of respondents was stratified according to the size of the hospital and 80% were from the private sector. The respondents' ages, 47% of the respondents was described as low (20-30) and 15% very high.

Formulation of compensation policy

From the responses of the respondents (80%) and a compensation policy of "what is best for the employee" was noted. The respondents were 80% satisfied with the compensation policy. The respondents were 80% satisfied with the compensation policy. The respondents were 80% satisfied with the compensation policy.

Attainment of organizational goals

From the findings of the study it was noted that private hospitals in Nairobi, 70% offered a compensation package that led to attainment of organizational goals and increased staff performance. The respondents were 80% satisfied with the compensation policy. The respondents were 80% satisfied with the compensation policy.

CHAPTER FIVE
SUMMARY OF FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

5.1 INTRODUCTION

The general objective of this study was to investigate the effect of compensation on performance of healthcare staff in private hospitals in Nairobi. This chapter presents a summary of the finding based on the research objectives, conclusions from the findings and recommendations derived from the conclusions. It also covers suggestions for further research.

5.2 SUMMARY OF FINDINGS

Demographic information

From the findings of the study it was noted that most private hospitals have been in existence for less than 20 years with 94.1% having less than 50 bed capacity. The number of healthcare staff employed depended on the size of the hospital and 66% were private companies. The competition facing 89% of the hospitals was described as being fairly high and 11% very high.

Formulation of compensation policy

From the responses most private hospitals (75.76%) had a compensation policy of which 84% considered demand and supply, 86.7% internal equity, 71% external equity 88% competition, 87.1% organizations ability to pay and 91% educational qualifications. Most hospitals had a compensation package of which 82% constituted salary, 3.6% benefits and 12% incentives of above 50%.

Compensation and attainment of organizational goals

Of the private hospitals in Nairobi, 77.1% offered a compensation package that led to their attainment of organizational goals and increased staff performance although 94% believed there was need to address additional issues on compensation so as to motivate staff to increase their performance.

Most hospitals thus 86% linked their strategic goals and objectives to HR issues like compensation. However, respondents showed the need for improvement on benefits and incentives in the compensation package so as to improve on attainment of the hospitals goals by staff.

Compensation and labour turnover

New healthcare staff to private hospitals considered salary (97.1%) before accepting new jobs. There was a lower number of healthcare staff leaving the hospitals of which 71.4% of the respondents attributed to the current compensation offered.

Compensation and motivation of staff

Majority (91%) of the private hospitals offered an attractive compensation scheme that increased the motivation of their healthcare staff. Extrinsically pay motivated 71% respondents, 46% by incentives and 75% were not motivated by benefits. The compensation offered did not attract 74% of healthcare staff to join private from public hospitals.

Compensation and lifelong career development

Only 60% of the private hospitals current compensation led to development of lifelong careers with 85.71% pegging compensation on different positions held. 85 percent of healthcare staff seek promotion due to higher compensation at senior levels. Suggestions given to cater for lifelong career development included rewarding performance, matching compensation to market rates, paying better and on merit, introducing benefits, ensuring job security, retraining staff and provision of loan schemes.

5.3 CONCLUSIONS

From the above findings the following conclusion were made. The first study question sought to establish if compensation had led to attainment of goals. This was confirmed that private hospitals in Nairobi offered a compensation package that led to attainment of their goals. The question was also answered for the compensation offered had reduced their staff labour turnover. Question three was answered positively for the compensation offered increased its employee motivation.

The last question sought to establish if compensation had catered for employee commitment and the need for lifelong career development. It was established that although compensation catered for career development, the suggestions made by the respondents indicated that their as room to improve the compensation policies. It can therefore be concluded that the compensation offered in private hospitals in Nairobi has positively affected the performance of its staff.

5.4 RECOMMENDATIONS

Having identified the effect of compensation on performance of healthcare staff in Nairobi, the following recommendations were made. Private hospitals should design a compensation policy that includes benefits and incentives other than salary alone. These will cater for better attainment of goals, reduce further staff labour turnover and increase staff motivation. Private hospitals should also consider a compensation policy that fully caters for commitment and the need for lifelong career development of their staff.

5.5 SUGGESTIONS FOR FURTHER STUDY

The study focused on private hospitals in Nairobi and left out the rest of the hospitals in the country. Future studies can therefore look at public hospital. Research could also be done to compare performance of private hospitals and public healthcare staff as affected by compensation.

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APPENDICES

APPENDIX I

LETTER TO RESPONDENTS

Evelyn K. Alugutsa
Kenyatta University
P.O. Box 43844
Nairobi.

Dear Sir / Madam,

REF: DATA COLLECTION

This questionnaire has been designed to gather information on the effect of compensation on employee performance. The information is to be used to complete a research project, a requirement for a degree in master of business administration at Kenyatta University.

You have been carefully selected to take part in this study. Kindly spare sometime to fill the attached questionnaire to the best of your knowledge. This information is purely for academic purposes and all responses are strictly confidential. A copy of the research report will be available to you upon request.

Thanking you

Yours faithfully,

Evelyn K. Alugutsa
MBA Student.

APPENDIX II
QUESTIONNAIRE

**THE EFFECT OF COMPENSATION ON PERFORMANCE OF
HEALTHCARE STAFF IN PRIVATE HOSPITALS IN KENYA.**

My name is KHATUNYI EVELYN ALUGUTSA, an MBA (Human Resource Management) student at Kenyatta University. I am conducting a study on the effect of compensation on performance of healthcare staff in Kenya. I would like to ask you some questions and I assure you that the information being sought is purely for academic purposes and any information revealed by you will be treated in strict confidence. Under no circumstances should you include your name or hospitals for they will not be necessary in the final report. **NB: Compensation refers to the salary, benefits and incentives given to an employee by employer in exchange of labour.**

SECTION A – BACKGROUND/ DEMOGRAPHIC INFORMATION

1) Age of institution

- i) 0 – 10 years ()
- ii) 11-20 years ()
- iii) Over 20years ()

2) Current bed capacity of the hospital, please tick one

- i) 1- 50 ()
- ii) 51- 100 ()
- iii) Above 100 ()

3) Number of staff employed

- i) Doctors _____
- ii) Dentists _____
- iii) Pharmacists _____
- iv) Nurses _____

4) Who owns the hospital?

i) Religious origin ()

ii) Private Company ()

iii) Association of members ()

iv) Company Trust ()

v) Any other (Please specify) _____

5) What describes the level of competition facing your hospital?

i) Very high ()

ii) Fairly high ()

iii) Low ()

SECTION B - COMPENSATION POLICY FORMULATION

6) Does the hospital have policies governing compensation of staff?

Yes ()

NO ()

7). To what extent do the following factors influence your decision when making Compensation package for the general staff? (Please tick).

5 = Very important 4 = important 3 = somewhat important

2 = Not important 1 = Not at all important

Factors	1	2	3	4	5
Demand & Supply					
Internal equity					
External equity					
Competition					
Organization ability to pay					
Educational qualifications					

8). what percentage do the following components constitute the compensation package for employees in your hospital.

Percentage	Salary	Benefits	Incentives
Below 50%			
Above 50%			

SECTION C: COMPENSATION AND ATTAINMENT OF ORGANIZATIONAL GOALS.

9). Has the compensation offered led to the successful attainment of goals so as to increase the performance of the hospital?

Yes ()

No ()

10). Please explain

11). Do you think if additional issues about compensation are addressed it would motivate employees to increase their performance?

Yes ()

No ()

12). Does your hospital link strategic goals and objectives to Human Resource activities Like remuneration?

Yes ()

No ()

13). Give suggestions on what you may want done to compensation so as to improve attainment of goals by the employees.

SECTION D: COMPENSATION AND LABOUR TURNOVER.

14). How would you describe the labour turnover (joining and leaving) of your hospital?

Low ()

High ()

15). How often do new employees consider salary before accepting a new job in your Hospital? Not often ()

Often ()

Always ()

16). Please explain

17). Do you think the current compensation has led to a lower number of staff leaving the hospital?

Yes ()

No ()

18). Please list the reasons

SECTION E: COMPENSATION AND MOTIVATION OF STAFF

19). How would you rate your compensation scheme?

- a) Not attractive ()
- b) Less attractive ()
- c) Attractive ()
- d) Very attractive ()

20). Has the compensation scheme increased the motivation of staff in your hospital?

Yes ()

No ()

21). In addition to the intrinsic rewards inherent in the job, which of the following Extrinsic rewards motivate your staff most?

Rewards	0	25%	50%	75%	100%
Pay					
Fringe benefits					
Incentives					

22). What percentage of staff is attracted to join your hospital from the public Sector because of the compensation offered?

- 0- 25 % ()
- 25-50% ()
- 50-75% ()
- 75-100% ()

23. Please explain

SECTION F: COMPENSATION AND LIFELONG CAREER DEVELOPMENT.

24). Do you think the current compensation offered has led staff to be more committed to remain and develop lifelong careers in your hospital?

Yes ()

No ()

25. If yes please explain

26). Is the current compensation pegged on different positions held at the hospital?

Yes ()

No ()

27). Do you think that some of the staff seeks promotion due to the higher compensation at senior level?

Yes ()

No ()

28). Please suggest what should be done to compensation so as to cater for commitment and life-long career development in private hospitals

APPENDIX III

WORK PLAN

The research project is expected to take six months as shown below;

Activity	Date(2007)
1. Proposal writing	Jan - March
2. Proposal defense and approval	June
3. Proposal correction and approval	July
4. Questionnaire pilot testing	1 st – 6 th August
5. Printing of finalized questionnaire	7 th – 31 st August
6. Data Collection	1 st – 15 th September
7. Data processing and analysis	16 th – 30 th September
8. Research report writing	1 st – 15 th October
9. Dissemination of the report	October

APPENDIX IV

BUDGET

Expenditure	Amount
1. Proposal typing, printing & Binding	5,000
2. Questionnaire and other supplies	10,000
3. Communication	8,000
4. Traveling expenses	15,000
5. Daily subsistence allowance	15,000
6. Data processing, analysis and report writing	12,000
7. Contingency allowance	10,000
TOTALS	75,000

APPENDIX V

PRIVATE HOSPITALS IN NAIROBI PROVINCE

	<i>Location</i>
1. Aga Khan Hospital	Parklands
2. Alpha Maternity and nursing home	Eastleigh
3. Avenue Hospital	Parklands
4. Bethany Crippled children's centre of Kenya	Naivasha Rd
5. Central medical Centre	Juja Road
6. Central park Hospital	Kibera
7. Central view Hospital	Riruta
8. Chiromo Lane medical centre	Westlands
9. City Nursing Home	Mfangano St
10. Comprehensive medical services	Lenana Road
11. Coptic Church Hospital	Ngong Road
12. Donholm Maternity & Nursing Home	Donholm
13. Dorkcare Nursing Home	Eastleigh
14. Eastleigh Community Clinic & Nursing Home	Eastleigh
15. Ediana Nursing Home	Githurai
16. Emmaus Nursing Home	Umoja
17. Family care medical Centre	Nairobi West
18. Foreign claims	Central
19. Getrudes Garden Children's Hospital	Muthaiga
20. Guru Nanak Ramgarhra Sikh	Ngara
21. Home confinement	Central
22. Huruma Nursing & Maternity Home	Huruma
23. Ideal Nursing Home	Juja Road
24. Inder Nursing Home	Juja Road
25. Jamaa Home & Maternity Hospital	Uhuru
26. Kabiro Healthcare Trust	Kawangware
27. Karen Hospital	Karen
28. Kasarani maternity & Nursing Home	Kasarani
29. Kayole Hospital	Kayole

30. Kenyatta National Hospital (Amenity wing)	Central
31. Kilimanjaro Nursing Home	Satellite
32. Komarock Nursing Home	Komarock
33. Lily women Hospital	Lavington
34. Lion's Sight first Eye Hospital	Loresho
35. Madina Nursing Home	Eastleigh
36. M.P. Shah Hospital	Parklands
37. Maria Maternity & Nursing Home	Kayole
38. Mariakani Cottage Hospital	South B
39. Maria Stopes Kenya	Eastleigh
40. Marura Nursing Home	Kariobangi
41. Masaba Hospital	Kirichwa Rd
42. Mater Hospital	South B
43. Melchizedek Hospital	Naivasha Rd
44. Metropolitan Hospital	Buruburu
45. Mid hill Maternity & Nursing Home	Parklands
46. Mother and Child Maternity & Nursing Home	Eastleigh
47. Nairobi Equator Hospital	Nairobi West
48. Nairobi Hospital	Argwings Kodhek Rd
49. Nairobi West Hospital	Nairobi West
50. Nairobi Women's Hospital	Argwings Kodhek Rd
51. New Radiant Hospital	Juja Road
52. Ngina wa Mumbi Maternity Hospital	Riruta
53. The Olive Tree Hospital	South C
54. Park road Nursing Home	Ngara
55. Prime care Hospital	Tena
56. St. James Hospital	South C
57. St Mary's Mission Hospital	Otiende
58. South B Hospital	South B
59. South C Nursing Home	South C
60. Umoja Hospital	Umoja