EMPLOYEE RECOGNITION AND EMPLOYEE PERFORMANCE AT PUBLIC HOSPITALS IN NYERI COUNTY, KENYA

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ABSTRACT

The current study therefore sought to determine the effect of employee recognition on employee performance. The study was anchored on Herzberg's Two Factor Theory, Equity Theory, Vroom's Expectancy Theory and Hierarchy of Needs Theory. A descriptive survey research design was applied on a target population of 1005 staff working in the 5 public health facilities in the county as gathered county government of Nyeri (2019). Proportionate stratified random sampling techniques were applied for sample selection. The research relied on primary data which was collected through questionnaires. The sample was made up of 151 respondents and comprised of different classes of workforce including top management, middle management, supervisors and regular staff working in the five public facilities. The drop and pick method was used in administering the questionnaire. The study evaluated validity of the instrument through expert opinion and pre-testing. Reliability was tested through Cronbach's alpha reliability analysis. Descriptive statistics (means and standard deviation) and inferential statistics (regression analysis, correlation analysis and analysis of variance) were included in the analysis. The regression analysis results provided evidence that employee recognition (β=0.767, p=0.022), has a positive and statistically significant effect on employee performance. In addition, the results of Pearson correlation analysis indicated that employee recognition (r=0.794, p=0.011) has a strong positive and statistically significant relationship with employee performance. Although employee recognition was largely used as a component of total reward system, the hospitals had only moderately established an enhanced system of financial bonuses for appreciating superb performance. As such, the study recommends pursuit of bonuses such as spot, quarterly, annual bonuses as a way of motivating the employees to better their performance. In addition, the study recommends the improvement of the system of service awards by introducing honours such as employee of the year awards.

Key Words: Total Reward System, Employee Recognition, Employee Performance, Public Hospitals.

INTRODUCTION

Poor employee performance has been a challenge facing the global, regional and local health sector. A global outlook unveils that employees posted dismal levels of achievement on responsibilities and highly left their jobs for other green pastures. The Australian Medical Association's (AMA), in their Public Hospital Report Card (2017) observes that Australia's public hospitals were failing to perform against key employee measures. Taner & Antony (2006) compared employee performance for private and public hospitals in Turkey and gathered that

employees in public facilities performed dismally. The same condition is unveiled in other economies such as New Zealand (Goodyear-Smith & Ashton, 2019).

In the continent, Adesanya (2012) reports that the employees at private hospitals in Nigeria were more responsive and proactive in their duties compared to public counterparts. Khamisa, Oldenburg, Peltzer and Ilic (2015) further observes poor employee performance in South African public health facilities which are attributed to work related stress, job satisfaction and general health of health workers. Coming closer to the East African region, Kwesigabo (2012) asserts that the public health sector faced huge employee performance concerns which continue to hurt service delivery.

Locally, public hospitals in Kenya continue to be regular candidates of employee unrests and unsatisfactory performance. Mbindyo, Gilson, Blaauw and English (2009) reports dismal performance of public health sector employees and identifies incommensurate remuneration and incentives as among key contextual influences to health worker motivation in district hospitals in Kenya. The poor condition of public health facilities is further highlighted by Irimu et al., (2018), in a review of the general health system in Kenya. From the foregoing, it is clear that employee performance for public health facilities remains an issue of great concern globally, regionally and locally. Total reward system is outlined in theory as key in influencing the direction of employee performance. Nevertheless, while studies have dwelt on this subject, a lot of unresolved issues and gaps still stand.

According to Noe, Hollenbeck, Gerhart, and Wright (2017), reward management entails the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization. It deals with the design, implementation and maintenance of reward practices that are geared to the improvement of organizational, team and individual performance. The reward system consists of both tangible and intangible rewards accorded to employees. According to Jiang, Xiao, Qi, and Xiao (2009), total rewards system is an integrated reward system that incorporates three key elements that employees value from their employment namely; compensation, benefits and work experience. A positively implemented total rewards system is critical in helping organizations build a powerful benefit structure.

A total reward system is composed of both financial and non-financial rewards (Cascio, 2015). Financial rewards are classified into direct and indirect financial rewards. The former is composed of salary, incentives and bonuses while the latter consists of indirect benefits such as insurance, holidays, medical cover, and child care as well as employee assistance. Non-financial rewards are also classified into two; that is benefits related to the job and those related to the work environment. Job related rewards would include recognition, responsibility, interesting work and advancement. With regard to the work environment, the rewards would be competent

supervision, good policies and practices, safety and health at work as well as fair treatment (Bratton & Gold, 2017).

Employee recognition involves positive acknowledgement of employees' special performance or positive actions in their line of engagements (David *et al.,* 2015). Recognition may take the form of service awards such as the employee of the year awards, verbal praise or financial bonuses such as spot, quarterly, annual bonuses for exemplary performance. Employee recognition aims at reinforcing certain behaviors and activities to entice employees to enhance their performance. Employee performance can be measured in terms of responsiveness, morale, quality and quantity of production, customer satisfactions (Ali & Opatha, 2013). High levels of employee's performance creates greater opportunities for employees in those organizations than in ones that have low performance. Performance is related to what organization hires the person to do and do well. Performance is not only related to the actions but also involves judgment and evaluation process (Banfield et al., 2018). The activities that can be examined and measurable are reflected as performance.

An organizations depends highly on the individual and collective performance of its employees so that organization it can meet the corporate goals and create competitive advantage (Bailey et al., 2018). According to Aguinis (2013), for an organization to be effective in achieving its goals, it is very important to monitor or measure its employee performance on a regular basis. Effective monitoring and measuring also includes providing timely feedback and reviews of the employees for their work and performance according to the pre-determined goals and solving the problems faced.

A balanced set of measures should be used for measuring the performance of the employees (Kew & Stredwick, 2016). Developed by Kaplan and Norton (1992), the balance score card is a performance evaluation tool that focuses on four key dimensions of measurement; financial, customer, internal process, and learning perspectives. The BSC framework serves as a powerful tool to implement strategy and continuously monitor strategic performance. The internal business process dimension appraises the processes that are considered most critical in delivering satisfaction to both customers and shareholders. Key metrics under this category would include productivity, reduced wastage, and quality (defect free) products (Park et al., 2017).

The financial perspective focuses on the manner in which shareholders perceive that their investment is growing (Lueg & Vu, 2015). Key objectives in the financial stage may include growth, profitability and cost leadership. From an individual employees' viewpoint, the financial perspective would measure dimensions such as cost efficiency, sales growth and productivity. The customer perspective is concerned with the manner in which the business is viewed by its customers and how customer service is implemented. The main dimensions of interest to customers include time, quality, performance, and cost. For assessment of employees'

performance under this category, aspects of service quality, customer feedback, time efficiency can serve as key metrics (Park, Lee, & Chae, 2017).

Lastly, the learning and growth perspective is focused on how the business must learn, improve, and innovate in order to meet the desired objectives (Sartor, 2019). As such, most of the contents of this dimension are employee-centered. Some common learning and growth measures include increase in sales of new products, percentage of sales gained from new products and services, creativity, product innovation, reduced development time (Cooper & Ezzamel, 2016). The current study used the four dimensions of BSC to reflect employee performance. Under the internal business process, the study reflected on waste reduction and quality (defect free) products while the financial perspective focused on cost efficiency, sales growth and productivity. The customer perspective reflected on service quality, customer feedback, and time efficiency while learning and growth perspective reflected on creativity, product innovation, and reduced development time as key performance indicators.

Statement of the Problem

According to Mbindyo, Gilson, Blaauw and English (2009), public hospitals in Kenya continue to be regular candidates of constant employee unrests and unsatisfactory performance. Concerns over poor remuneration and incentives are singled out as among key contextual influences to health worker motivation for public hospitals in Kenya. There has been constant employee unrests at public hospitals in Nyeri County with disagreements revolving around the reward systems in place amidst declining employee performance concerns (County Government of Nyeri, 2018). Theoretical perspectives have outlined that the structure of employee reward systems has a ramification on their individual and collective performance (Dartey-Baah & Amoako, 2011). Nevertheless, while studies have been done on the influence of total reward system on employee performance, a lot of issues remain unresolved. A review of past empirical literature brings forth a number of gaps which are largely contextual, empirical, methodological and conceptual in nature.

Munene and Kibisu (2014) analyzed reward systems and employees' achievement of targets among semi-autonomous government agencies in Migori Sub-County. Results indicated that basic salary, house allowance and health benefits have very strong influence on employee performance. Contextual gaps emerge on need to have an updated study for more valid results. Methodological gaps emerge on need to address other dimensions of employee performance.
Okoth (2014) examined the effects of reward management on performance of employees in the hospitality industry focusing on hotels in North Coast, Kenya. A descriptive cross sectional survey design was employed on a population of 27 beach resorts in North Coast, Kenya. Structured questionnaires were used to gather primary data. Descriptive statistics and inferential statistics (correlation) were used in the analysis. Results demonstrated a high and positive

correlation between reward management and employee performance. Empirical gaps are clear on need to focus on an expanded framework of total reward system variables. Thus, in order to expand the basket of knowledge of the study subjects and address open knowledge gaps, the current study focused on employee recognition as a facet of total reward system and its effect on employee performance at public hospitals in Nyeri County, Kenya.

Objective of the Study

The study sought to determine the effect of employee recognition on employee performance at public hospitals in Nyeri County, Kenya.

Research Question

The study sought to answer the following research question:
   i)   What is the effect of employee recognition on employee performance at public hospitals in Nyeri County, Kenya?

Literature Review

The study was guided by Herzberg's two factor theory, Vroom's Expectancy Theory, and Equity theory.

Herzberg's Two Factor Theory

The theory was modelled by Herzberg (1966) and underpins two types of factors involved in motivation: extrinsic and intrinsic factors. The factors are also known as hygiene and motivator factors respectively. Extrinsic (or hygiene) factors include tangible outcomes and things that focus on a worker's physical well-being. The factors represent the relationship of employees with their job environment. The factors include pay and benefits, organizational policies, quality of supervision, job security, job safety, administrative practices, and physical work condition (Alshmemri, Shahwan-Akl, & Maude, 2017).

The hygiene factors do not lead to motivation, but without them there can be dissatisfaction. On the other hand, intrinsic (or motivator) factors include intangible outcomes such as achievement, recognition, responsibility, growth, respect, and interest in the job (Sanjeev & Surya, 2016). The theory holds that only intrinsic factors motivate. The motivator factors relate to the employees' desire for growth in their work and which affect the level of satisfaction or motivation at work. Herzberg's two factor theory prescribes a two-step process of motivating employees. The first step is to eliminate dissatisfaction among them by developing sound non primitive company policies, engaging good technical supervisors who permit employees to work with little pressure,

paying salaries and wages that are adequate and fair to employees and creating good working conditions such as comfortable offices and reasonable working hours (Johnson et al., 2018)

The second step entails motivating the employees by permitting them to achieve challenging goals with minimal interference, recognizing good performance and productivity and crediting them for their efforts and according employees more responsibility as they show the desire and ability to handle such responsibility (Alshmemri, Shahwan-Akl, & Maude, 2017). The process of motivating employees further involves provision of a clear career path for productive employees, designing jobs that are interesting and challenging and providing training, learning and educational opportunities that help employees grow especially in skills that relate to their careers. The theory was useful in the assessment of the effect of employee recognition on employee performance.

Equity Theory

Adams and Freedman (1976) proposed the equity theory which centers on establishing the extent to which resources are distributed fairy to both relational parties. From an organizational perspective, equity theory proposes that employees compare what they get from a job (outcomes) in relation to what they put into it (inputs). The employees then compare their input output ratio with the input output ratios of relevant others (Griffin & Moorhead, 2011). The relevant others are essentially individuals with similar jobs in the same organization and in the same profession. They may also be the systems including the organization pay policies procedures and systems. As such, if an employee perceives her ratio to be equitable or fair as compared to those of relevance others then justice prevails and she will be motivated to deliver best results to the organization. However, if the ratio is seen to be inequitable or unfair, the employee will feel under rewarded or over rewarded (Johnson *et al.,* 2018).

According to Kanfer, Frese, and Johnson (2017), if there is perceived inequity in an organization, the theory proposes that the employee might distort either own or others inputs or outcomes, behave in some way to induce others to change their own inputs or outcomes or behave in some way to change their own inputs or outcomes. The employee might also choose a different comparison person or simply quit the job. The implication for equity theory is that employees will be influenced significantly by both absolute and relative rewards accorded to them. Whenever employees perceive inequity, they will act to correct the situation (Griffin & Moorhead, 2011). The theoretical foundation was useful in the assessment of the effect of total reward system on employee retention. In particular, the theory was useful in guiding the analysis of employee recognition on employee performance.

Vroom's Expectancy Theory

Developed by Vroom (1964), the framework explains motivation to work in terms of anticipated rewards. This framework makes an assumption that people make rational decisions based on economic realities. In essence, an employees' behavior is premised on subjective perception as opposed to objective reality. The foundation argument of the theorists is that employees always try to analyze the relationship between three key factors; effort, performance and reward. The theory identifies factors that would stimulate an employee to increase their effort expectancy, instrumentality and valence (Miner, 2015).

According to Miner (2015), expectancy is essentially the extent to which the individual perceives that a particular act will produce a particular outcome. Instrumentality entails the extent to which the individual perceives that effective performance will lead to desired reward. Valence on the other hand concerns the strength of the belief that attractive rewards are potentially available. In other words, valence represents the strength of an employee's preference for a given outcome or reward. In order for the valence to be positive, the person must prefer attaining the outcome to not attaining it. A valence of zero occurs when the individual is indifferent towards the outcome. A valence is negative if the individual prefers not to attain the outcome to attaining it (Barron & Hulleman, 2015).

As viewed by Flake, Barron, Hulleman, McCoach, and Welsh (2015), rewards may fall into two broad classes; intrinsic and extrinsic rewards. Intrinsic rewards are acquired from fulfilling high level personal needs such as self- esteem and personal growth. For the study at hand, the intrinsic rewards would include career advancement and employee recognition. On the other hand, extrinsic rewards are provided by organization and are not within the control of the individual (Miner, 2015). For the current study, the extrinsic rewards under evaluation include salary and incentives. The theory was key in assessment of reward systems and their influence on performance of employees especially for the argument that intrinsic factors are more associated with job satisfaction than extrinsic rewards.

Empirical Literature Review

Kaufman, Chapman and Allen (2013) studied the effect of recognition on employee engagement innovation, and output, and how these correlate with company performance. Results signposted that well-recognized employees have more drive and determination, better work relationships, improved personal standing, and stronger connections to their company. Additionally, strongly recognized employees are much more likely to generate innovations and increased efficiency. It was demonstrated that recognition enhanced performance of employees more than salary and bonuses did. Contextual gaps are evident on need to replicate the analysis locally.

Ndungu (2017) studied the effects of rewards and recognition on employee performance at Kenyatta University, Kenya. The study targeted staff working at Kenyatta University main campus, Nairobi. The study used a descriptive research design. Sampling was done using stratified random sampling and purposive sampling techniques. Results indicated that employee recognition influences employee performance. Empirical gaps exist on need to address other dimensions of total reward system besides recognition.

Bradler, Dur, Neckermann and None (2016) empirically examined employee recognition and performance through a field experiment. The study adopted a controlled field experiment to establish the effect of unannounced, public recognition on employee performance. The researchers hired more than 300 employees to work on a three-hour data-entry task. In a random sample of work groups, workers unexpectedly received recognition after two hours of work. Results indicated that recognition improved subsequent employee performance. Performance improvement was more when recognition was exclusively provided to the best performers. Interestingly, workers who failed to receive recognition recorded highest improvement in subsequent performance. The study presents methodological gaps on need to adopt new research designs other than experimental design and analyze performance over a sizeable period of time.

Research Methodology

The study adopted a descriptive survey research design to effectively assess the effect of employee recognition on employee performance. Mugenda and Mugenda (2012) highlights that a descriptive survey research design uncovers existing associations among factors under analysis. The research approach does not however try to alter anything in that arrangement. The design is concerned with explaining the what, where and how of research phenomenon (Bulmberg, Cooper & Schindler, 2011). The descriptive survey design fits the current analysis as it sought to explain existing conditions on employee recognition and employee performance at public hospitals in Nyeri County, Kenya.

Target Population

According to Kothari (2011), a study population or the target population is the complete set of individuals, cases or objects with some observable characteristics. The target population consisted of all the 1005 employees working at the five (5) county public hospitals in the county. The focus on the five public hospitals was justified by the fact that the problem of poor employee performance has been more pronounced in public than private hospitals. There are only five public hospitals in Nyeri county, with all others being either dispensaries or health centers. According to the Directorate of Health Services under the county government of Nyeri Mt. Kenya hospital has 39 employees, Nyeri county referral hospital 423 employees while Karatina hospital has 227 employees. In addition, Mukurweini hospital and Othaya hospital have 201 and

115 employees respectively. The target respondents were the 1,005 staff working in the 5 public hospitals.

Table 3.1: Target Population

S/NO.	Health Facility	No. of Employees
1.	Nyeri County Referral (PGH Nyeri) Hospital	423
2.	Mt. Kenya Sub County Hospital	39
3.	Mukurwe-ini Sub County Hospital	201
4.	Othaya Sub County Hospital	115
5.	Karatina Sub County Hospital	227
	Total	1,005

Source: *County Government of Nyeri (2021)*

Sample Procedure and Technique

Sampling may be defined as the selection or some part of an aggregate or totality on the basis of which a judgment or inference about aggregate or totality is made. In other words, it is the process of obtaining information about an entire population by examining only a part of it (Kothari, 2011). The study used proportionate stratified random sampling method to select a sample of 151 respondents representing 15% of population. According to Mugenda (2013), when the study population is less than 10, 000, a sample size of between 10 and 30% is a good representation of the target population and hence 15% is adequate for analysis.

The number of participants (151) met and surpassed the threshold of 30 as recommended by Kothari and Warner (2004) as a rule of thumb to ensure normal approximations. The sample comprised of different classes of workforce including top management, middle management, supervisors and regular staff working in the five public facilities. Proportionate stratified random sampling technique was used to ensure a balance of the sample throughout the population. The choice of this method was justified as it ensures that all classes of the population are fairy represented in the sample. According to Lynn (2018), with proportionate stratified sampling, the sample size of each stratum is proportionate to the population size of the stratum. The sample size of each stratum is determined by the formula; $n_h = (N_h / N) * n$ where n_h is the sample size for stratum h, N_h is the population size for stratum h, N is total population size, and n is total sample size (Ott & Longnecker, 2015).

STEP 1: Selection of 15% sample as recommended by Mugenda (2013) to be ideal. (0.15*1005) = 151 participants.			
STEP 2: Distribution of the 151 participants selected in to various strata using the proportionate stratified random sampling formula: **nh = (Nh / N) * n.**			
Strata/ Category	Employees	Sample; nh = (Nh / N) *	Sample

		n		
Nyeri County Referral (PGH Nyeri)	423	(423/1005)*151 = 63.56	64	**Table 3.2: Sampling and Sample**
Mt. Kenya Sub County Hospital	39	(39/1005)*151 = 5.86	6	
Mukurwe-ini Sub County Hospital	201	(201/1005)*151 = 30.2	30	
Othaya Sub County Hospital	115	(115/1005)*151 =17.29	17	
Karatina Sub County Hospital	227	(227/1005)*151 = 34.11	34	
Total	1,005		151	
Sample size			**151**	

e Size

Source: Researcher (2021)

Data Collection Instruments

Primary data was used in the current analysis. The study used semi structured questionnaires to collect primary data. In order to effectively meet the objectives of the current study, tests to evaluate the validity and reliability status of the research instrument were carried out. Validity and reliability tests serve in ensuring that research instruments are consistent and that it measures the parameters designed to measure (Mugenda, 2013).

Validity of Research Instruments

Validity refers to the degree to which results obtained from analysis of the data actually represent the phenomenon under study (Heale & Twycross, 2015). The question of validity is raised in the context of the form of the test, the purpose of the test and the target population. For this purpose, expert opinion was utilised in assessing and improving validity status of the instrument. Opinions from the supervisor as a research expert were considered adequate. Adjustments were made on advisory until the supervisor was satisfied that the instrument measures what it is intended to measure. Expert Opinion is one of the operative methods suggested by Kumar (2019) for testing validity of research instruments.

Reliability of Research Instrument

Reliability is the degree to which a test consistently measures whatever it measures (Mugenda and Mugenda, 2012). In other words, reliability is the extent to which a research instrument administered more than once yields consistent results. The researcher was particularly interested with the internal consistency reliability aspects of the research instrument and specifically the split half correlation measure. The researcher utilised the Cronbach's Alpha Reliability Test using SPSS to test for reliability of the instrument. Cronbach's alpha evaluates internal consistency by calculating an equivalent to the average of all possible split half correlation. A coefficient of above 0.7 would imply that the reliability condition is observed.

Table 3.3: Cronbach's Alpha Reliability Analysis

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.780	.777	34

Source: Survey data (2021)

From the results, the Cronbach's Alpha Coefficient stands at 0.34 for 34 items. This represents a high extent of internal consistency of the research instrument. Gliem and Gliem (2003) considers a Cronbach alpha coefficient of greater or equal to 0.70 as acceptable in social science situations.

Data Collection Procedure

Kothari (2011) describes data collection as a process of acquiring subjects and gathering information needed for the study. Methods of data collection vary depending on the study design. Bulmberg, Cooper and Schindler (2011) explain data collection as gathering, selecting and computing information in a systematic manner that enables the researcher to achieve the study objectives. Data was gathered from different classes of workforce including top management, middle management, supervisors and regular staff working in the five public facilities. The instruments were administrated by use of the drop and pick method owing to the busy nature of employees and the need to enhance the response rate by allowing them to fill the questionnaire at their convenience (Mugenda, 2013). The respondents were given two weeks to respond to the questionnaires which was considered adequate time to maximise successful responses.

Data Analysis and Presentation

The data collected was cleaned and checked for completeness, accuracy and consistency. The data will then be coded, tabulated and analyzed using statistical package for social sciences. Analysis was guided by the research objectives. Both descriptive and inferential statistics were employed. Descriptive statistics included means and standard deviations while the inferential statistics comprised of regression analysis and Pearson correlation analysis. A regression model was developed as follows:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon$$

Where; **Y** = **Employee Performance**

X_1= Employee Recognition.

β_0 = is the regression intercept while β_1 is the regression coefficients (the slope or gradient of the regression line) & ε is the error term. The study findings were presented using figures and tables. In addition, interpretations were also made where applicable.

RESEARCH FINDINGS AND DISCUSSIONS

Response rate

The share of responses obtained through the study are presented in Table 4.1. This analysis is important to determine if the statistical threshold for analysis is attained.

Table 4.1: Response Rate

Targeted respondents	Responses received	Response rate
151	126	83.44%

Source: Survey data (2021)

The study distributed a total of 151 questionnaires to 151 respondents spread across the five public hospitals in Nyeri County, Kenya. Out of these, a total of 126 questionnaires were presented a response rate of 83.44 percent. As opined by Mugenda and Mugenda (2003), a response rate of above 50 percent would be considered acceptable and within the adequate threshold for statistical analysis. In comparison, a response rate of 0.60 percent is good while above 70 percent is excellent.

Descriptive statistics.

The descriptive statistics cover the two key variables informing the study. These are employee recognition and employee performance.

Employee Recognition.

This part captures descriptive statistics on employee recognition as a dimension of total reward system of the public hospitals in Nyeri County, Kenya. Table 4.2 provides statistics on employee recognition as an element of total reward system.

Table 4.2: Employee Recognition as a Component of Total Reward System

	N	Mean	Std. Dev
The hospital has a well-developed performance recognition tool kit for employees.	126	4.5634	.56236
The hospital has a well-established system of service awards e.g. employee of the year.	126	3.3453	.42345
Verbal praise is highly used as a tool of acknowledging exemplary performance in the hospital.	126	3.8454	.43214
The hospital has an enhanced system of financial bonuses for appreciating superb performance. E.g. spot, quarterly, annual bonuses.	126	3.2342	.40234
Average	**126**	**3.7470**	**.45507**

Source: Survey data (2021)

The mean of the means (3.74) shows that employee recognition was largely used as a component of total reward system as implemented by the public hospitals. This is affirmed by the low standard deviation (0.46) which represents closeness of observations about the mean. Results indicated that the public hospitals had largely established a well-developed performance recognition tool kit for employees. Results showed that verbal praise was highly used as a tool of acknowledging exemplary performance in the hospital. The hospitals had also moderately established an enhanced system of financial bonuses for appreciating superb performance such as spot, quarterly, annual bonuses. It was also observed that the public hospitals only moderately implemented a well-established system of service awards e.g. employee of the year.

Employee Performance

Employee performance was evaluated using the balance score card metrics. Respondents were required to indicate the extent to which the statements regarding the performance of employees in the public hospitals were valid. Table 4.3 presents the statistics to this regard.

Table 4.3: Employee Performance

	N	Mean	Std. Dev
The hospital employees are productive in their work engagements.	126	4.0001	.59632
The hospital employees are committed to duty and act with minimal supervision.	126	4.6327	.89602
The employees at the hospitals have a sense of engagement to their work.	126	3.5632	.75753
The employees are highly creative and innovative in executing their duties.	126	3.0273	.80006
Average	**126**	**3.8058**	**.76248**

Source: Survey data (2021)

As results (mean of means 3.81), there was generally good performance of employees for public hospitals in Nyeri County, Kenya. This was affirmed by the low standard deviation (0.762) which represents proximity of the observations to the mean. The hospital employees were largely productive in their work engagements. The hospital employees were also largely committed to duty and acted with minimal supervision. In addition, the employees at the hospitals showed a great sense of engagement to their work. Finally, the employees were reported to be highly creative and innovative in executing their duties.

Table 4.4: Respondent's Rating of Employee Performance

	N	Mean	Std. Dev
Efficiency and Waste Reduction	126	3.5623	.53527
Defect Free Service	126	3.2384	.60632
Cost Efficiency	126	3.1963	.54389
Sales Growth (Unit Sales)	126	3.7894	.74395
Productivity	126	3.8732	.86342
Service Quality	126	3.1723	.67434
Customer Feedback (Reduced Complaints)	126	3.7683	.56823
Time Efficiency	126	4.1753	.72644
Employee Creativity	126	4.4323	.84283
Product Innovation	126	2.6523	.75732
Average	**126**	**3.5860**	**.68620**

Source: Survey data (2021)

As represented by the mean of the means (3.59), the respondents rating the employee performance at the public hospitals in Nyeri county was generally good. The low standard deviation (0.68) showed that the observations were closely held to the mean validating the condition of good employee performance. All the dimensions of the balance score card: internal business perspective, financial perspective, customer perspective and learning and growth perspective registered fairy good scores. Nonetheless, as indicated by the mean (3.24), the employees were accorded a moderate score with regard to their performance with regard to the defect free service metric of the internal business perspective. The cost efficiency dimension of the financial perspective also showed moderate score as indicated by the mean (3.19). In addition, with regard to the customer dimension of the balance score card, service quality was only achieved moderately as indicated by the mean (3.17). The learning and growth perspective of the balance score card also demonstrated need for improvement on the product innovation dimension where employees scored poorly with a mean of 2.65. As such, although employees scored fairy good average scores, there was need for improvement on certain aspects of each balance score card dimension.

Inferential Analysis

The inferential analysis procedures included the Pearson correlation analysis and multiple regression analysis. The inferential statistics were essential in determining the effect of the independent variable (employee recognition) on employee performance. The inferential statistics are key in allowing generalisations on the entire population.

Correlation Analysis

The Pearson Correlation analysis was applied to explain the nature, strength and direction of relationship between each total reward system variable with employee performance. Table 4.5 presents the Pearson correlation output.

Table 4.5: Pearson Correlation Analysis

		Employee Performance
Employee Recognition	Pearson Correlation	.794**
	Sig. (2-tailed)	.011
	N	126

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

Source: Survey data (2021)

The Pearson Correlation Coefficients for employee recognition (0.794) shows a very strong and positive relationship with employee performance. The relationship is statistically significant since the p-value (0.011) is within the 0.05 significance level. The findings support earlier studies such as Kaufman, Chapman and Allen (2013), Ndungu (2017) and Bradler, Dur, Neckermann and None (2016) who indicated that employee recognition has a positive relationship with employee performance. The results further support Herzberg (1959) theoretical foundation that demonstrated that recognition enhanced performance of employees more than salary and bonuses did.

Regression Analysis

The study conducted the multiple regression analysis to assess the effect of employee recognition on employee performance for public hospitals in Nyeri County, Kenya. Table 4.6 presents the regression model summary.

Table 4.6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.805a	.648	.633	.20081	2.064

a. Predictors: (Constant), Salary, Incentives, Career Advancement, **Employee Recognition**

b. Dependent Variable: **Employee Performance**

Source: Survey data (2021)

As explained by R Square, the coefficient of determination, 64.80% of the variation in employee performance (the dependent variable) is explained by variation in total reward system variables i.e. salary, incentives, career advancement and employee recognition. To that end, only 35.20% of variation in the employee performance was explained by other predictors not included in the

model. As such, a conclusion was reached that at least one variable, salary, incentives, career advancement, employee recognition was a statistically significant predictor of employee performance.

Table 4.7 shows the coefficients of the multiple linear regression. Employee performance was analysed as the dependent variable while total reward system variables constituted the independent variables. The specific independent variables considered were salary, incentives, career advancement, and employee recognition

Table 4.7: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	T	Sig.
1 (Constant)	4.302	.116		37.088	.065
Salary	.345	.313	.333	1.102	.001
Incentives	.563	.508	.534	1.108	.013
Career Advancement	1.088	.174	.979	6.253	.030
Employee Recognition	**.767**	**.115**	**.690**	**6.669**	**.022**

a. Dependent Variable: Employee Performance

Source: Survey data (2021)

From the multiple regression analysis output, the coefficients for all the total reward system variables are significant determinants of employee performance for public hospitals in Nyeri County, Kenya. Thus total reward system and its components; salary, incentives, career advancement, and employee recognition are all useful predictors of employee performance. The regression model is developed as:

Employee Performance = 4.302 + 0.345 (Salary) + 0.563 (Incentives) + 1.088 (Career Advancement) + **0.767 (Employee Recognition).**

The coefficient for employee recognition (0.767) has an associated p–value of 0.022 which is less than 5% level of significance. Therefore, employee recognition is a significant determinant of employee performance. To that end, a unit increase in employee recognition would lead to a 0.767 unit improvement in employee performance. The findings support earlier studies such as Kaufman, Chapman and Allen (2013), Ndungu (2017) and Bradler, Dur, Neckermann and None (2016) who indicated that employee recognition has a positive effect on employee performance. The results further support Herzberg (1959) theoretical foundation that demonstrated that recognition enhanced performance of employees more than salary and bonuses did.

Conclusions, Recommendations and Contribution to Knowledge

Conclusion of the Study

A number of conclusions were made regarding employee recognition and employee performance at public hospitals in Nyeri County, Kenya. The conclusions are anchored on the inferential statistics which allow generalisations to the entire population. A conclusion was reached that the condition of employee performance for public hospitals in Nyeri County was generally good. The multiple regression analysis results led to a conclusion that employee recognition has a positive effect on employee performance. Thus, an improvement in employee recognition as a component of total reward system would result to an improvement in performance of employees. Contrariwise, deterioration in the use of employee recognition would lead to a significant decline in performance of employees. The Pearson Correlation analysis results further informed a conclusion that employee recognition has a positive relationship with employee performance.

Recommendations of the Study

Although employee performance was found to be generally good in public hospitals within Nyeri County, Kenya, the study highlighted some aspects of employee performance that required improvement. With regard to the internal business perspective, the study recommends measures to be taken to improve the capacity and commitment of employees in providing defect free services which was found to be below satisfactory levels. Regarding the financial perspective, the study recommends measures to be undertaken to address the ability of employees to deliver cost efficiency in their work which was found to be below satisfaction. The customer perspective aspects of employee performance also called for improvement especially with regard to provision of customer feedback and time efficiency which was moderately executed. Finally, on learning and growth perspective, the study recommends improvement of employees' product innovation capacity which was found to be poor.

Although employee recognition as a component of total reward system was largely used, the hospitals had only moderately established an enhanced system of financial bonuses for appreciating superb performance. As such, the study recommends pursuit of bonuses such as spot, quarterly, annual bonuses as a way of motivating the employees to better their performance. In addition, the study recommends the improvement of the system of service awards by introducing honours such as employee of the year awards.

Contribution to Knowledge

The study makes significant contribution to development of human resource practice and theory and adds to existing body of knowledge on the subject matter; employee recognition and employee performance. While past studies have concentrated with organizational performance,

the current study focused on employee performance which is rarely considered. Specifically, the study gives insights on employee performance as assessed through the balance score card dimensions of internal business perspective (efficiency and waste reduction and defect free service), financial perspective (cost efficiency, sales growth (unit sales) and productivity), customer perspective (service quality, customer feedback and time efficiency), and learning and growth perspective (employee creativity and product innovation). The balance score card has rarely been used in past studies on total reward system which gives value to the current study. Therefore, the study delivers valuable empirical evidence to guide decision making on employee performance. The study underlines the importance of total reward system as outlined by Herzberg's two factor theory, Vroom's Expectancy Theory, Maslow's Hierarchy of needs theory and Equity theory.

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