

FINANCIAL IMPLICATIONS OF MOTIVATION ON EMPLOYEE PERFORMANCE IN THE PUBLIC SERVICE: A CASE STUDY OF NATIONAL HOSPITAL INSURANCE FUND

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Abstract: The Salaries and Remuneration Commission's continuous review of state and public officers' salaries, aimed at enhancing morale and productivity, has not translated into improved public service delivery, as evidenced by public dissatisfaction with diminishing service quality and a declining number of public servants. This study investigates the impact of motivation on employee performance in the public service, using the National Hospital Insurance Fund (NHIF) as a case study. Specific objectives include assessing the effects of compensation, career development opportunities, retirement benefits, and employee recognition on NHIF employee performance. Rooted in theories such as Hierarchy of Needs, Total Reward, Theory of Work Adjustment, and Expectancy Theory of Motivation, this study adopts a descriptive research design. Targeting administrative staff at NHIF Nairobi, the study population comprises 230 staff, and a stratified simple random sampling method is used. Primary data is collected through questionnaires, validated through validity and reliability tests, and analyzed quantitatively using descriptive statistics. The findings reveal that organizations offering competitive salaries attract skilled and high-value employees, contributing significantly to organizational performance. Similarly, organizations investing in training, clear growth paths, mentorship, and meaningful tasks cultivate a highly motivated workforce. The study recommends that NHIF management implement fair, performance-based compensation, regularly reward high-performing employees, provide career development programs, and foster a culture of non-monetary recognition for positive contributions. This research is pertinent to NHIF policymakers, the Central Government of Kenya, other public service sectors, human resource practitioners, and researchers. By exploring the financial implications of motivation on employee performance, the study provides insights for policymaking, resource allocation, and strategic decision-making in public service organizations.

Keywords: Kenya Commercial Bank, Ministries, Departments and Counties, National Hospital Insurance Fund, Nairobi Security Exchange

CHAPTER ONE: INTRODUCTION

1.0 Overview

This chapter presents the background to the study, the concepts of motivation, addresses the employee performance, motivation and employee performance in public sector, overview of National Health Insurance Fund, statement of the problem, objectives of the study comprising of general objective and specific objectives. The chapter further presents the research questions, assumptions, justification of the study, significance of the study, scope limitations and lastly definition of operational terms as applicable in the study.

1.1 Background to the Study

Motivation, as commonly refers to the cognitive and affective processes that influence an individual's level of intensity, direction, and persistence in pursuing their goals (Dale, 2016). Motivation, as defined by Friedman and Greenhaus (2017), encompasses the intensity and duration of how a person acts. Each of these terms can be understood as the level of dedication exerted from people and the duration for which it is sustained. Motivation can function as both an explanatory and predictive factor for an individual's work performance in specific circumstances.

The impact of motivation on employees' performance is a significant concern within contemporary organizations (Khan, Farooq, & Ullah, 2017). In the current epoch characterized by increased interconnectedness and intensified rivalry, the factors of employee motivation and performance are widely acknowledged as pivotal determinants of organizational success (Sakovska, 2018). The employees of an organization play a crucial role in determining the organizational performance. This notion is further underscored by Harvey and Brown (2019), who posit that individuals constitute the fundamental basis of any given organization. Moreover, it is widely acknowledged that individuals employed by an organization constitute the most invaluable, highly expensive, and exceptionally unpredictable assets that can be utilized to augment organizational efficacy. Motivated individuals are imperative for organizations to effectively accomplish tasks (Bennet, 2017).

According to Shree, Bharathi, and Manjunath (2019), it has been asserted that in the majority of developing nations, governments play a pivotal role as the main provider of essential services, including but not limited to healthcare, education, infrastructure, and property rights. However, the issue of low productivity and performance among government employees poses a substantial obstacle to the efficacy of service delivery. Governments encounter inherent obstacles in the form of identifying suitable candidates for public sector positions, implementing efficient recruitment strategies, and fostering optimal performance among these individuals. According to Hakim (2020), the success of delivery of services is contingent upon the performance of government employees. However, in developing nations, the public sector frequently grapples with subpar worker productivity and motivation. A meticulously crafted incentive scheme possesses the potential to allure superior job candidates and foster enhanced performance within the public sector. However, it is imperative to exercise caution and conduct thorough testing and implementation processes to mitigate any adverse consequences.

Globally, in Malaysia, the analysis by Aarabi, Subramaniam, and Akeel (2019) centered on examining the correlation between motivational factors and job performance among employees in the service industry of Malaysia. The study concluded that employee motivation plays a pivotal role in differentiating successful organizations from their less successful counterparts. Various factors can influence the psychological states and behavior of staff members within the workplace. The accomplishments of employees in the professional setting can be attributed to their active engagement in their job responsibilities, which in turn facilitates the development of interpersonal connections within their respective organizational contexts. According to Tejaswini and Sreevani (2019), the establishment of a positive workplace environment, which is essential for employee motivation, is influenced by the attitudes of employees and the social relationships they cultivate within the organization.

Regionally, Abayomi and Adetola (2022) conducted a study that examined the impact of motivation at work on employee performance within the context of healthcare providers at University College Hospital in Ibadan, Oyo State. It has been determined that motivation is a significant factor that influences human behavior. It not only impacts other cognitive factors such as perception and learning, but also has an effect on an individual's overall performance within an organizational context. However, Khan and Hamed (2020) conducted a study that examined the influence of job satisfaction on employee performance. The findings of a research conducted on self-governing Medical Institutions in Nigeria indicate that motivation among workers is influenced by complicated procedures that encompass the consideration of multiple factors, including the state of the labor market, individual traits, work environment, and job dimensions.

In Kenya, Presently, there is a dearth of comprehensive and meticulously crafted models for employee motivation within diverse government entities. This is particularly evident due to the distinct roles assigned to each agency in the government and the inherent variability in employee responsibilities (Oburu & Nyakundi, 2019). It is noteworthy that the compensation received by employees in Kenya's public service sector is relatively low when compared to global benchmarks. The issue of inadequate compensation is currently observable in Kenya, as evidenced by the frequent occurrence of industrial strikes among public sector employees in different ministries, such as healthcare workers and teachers. These strikes are primarily driven by the demand for improved remuneration. According to a study conducted by Njanja, Maina, and Kageni (2017), administrators in Kenya face significant difficulties in determining effective strategies to achieve optimal employee motivation, which is believed to have a substantial impact on organizational performance. Managers have endeavored to cultivate employee motivation by implementing methods which have proven beneficial in different global contexts, only to experience profound disappointment.

Government agencies, which consist of various Ministries, Departments, and Counties (MDACs), persist in utilizing reward packages to incentivize their employees through a variety of combinations and levels of intensity. When senior management is tasked with choosing the kind and type of reward for employees across various MDACs, it is crucial for them to comprehend the influence or significance of the reward type in motivating the intended employees to attain their desired standards of organizational performance. Mbiti and Kiruja (2020) contend that public sector administrations in Kenya exhibit a predominantly bureaucratic nature, prioritizing employee skills while overlooking the crucial role of efficient communication among employees, also known as relations with employees, as a significant driver of motivation within the workplace. The public service sector assumes a significant role in the economic development of Kenya. Accordingly, the research promotes employee motivation in order to facilitate the attainment of job and organizational objectives (Muchiri, 2018).. Therefore, the study aims at resolving and providing more insights on the roles of motivation to enhance employee performance in the public sector in Kenya, a case of National Hospital Insurance Fund.

1.1.1 Concepts of Motivation

The management of employee motivation is an essential component in the cultivation and enhancement of a skilled workforce (Brown & Simmering, 2021). According to Tejaswini and Sreevani (2019), the concept of motivational strategy involves the establishment and direction of a person's requirements towards a specific objective. Motivation among staff is influenced by subconscious as well as conscious forces that are responsive to various predominant issues within the work environment. These elements collectively contribute to an understanding of employee behavior. According to Armstrong (2012), the concept of motivational strategy pertains to the impact of motivational factors on employees and encompasses the overall direction and intensity of their resulting behavior. Armstrong (YEAR) concurred with the notion that the implementation of motivational strategies has a positive impact on productivity, albeit up to a certain threshold. Beyond this point, however, an excessive increase in motivation can result in a decline in productivity.

According to Dessler (2017), compensation encompasses various forms of remuneration or incentives provided to employees in relation to their employment. One of the fundamental motivations for individuals to pursue employment is compensation. Employees receive compensation for the services they provide and the efforts they exert in their professional endeavors. Harrison and Liska (2018) assert in their study that rewards constitute the focal point of the employment contract, as they serve as the primary motivation for individuals to engage in work activities. This encompasses a wide range of rewards, encompassing both intrinsic and extrinsic forms, which are obtained by employees as a consequence of their employment. Intrinsic rewards encompass various job-related benefits, such as assuming responsibility, exercising autonomy, receiving appreciation from superiors, and experiencing a sense of accomplishment, among other factors. Extrinsic rewards refer to concrete incentives such as monetary compensation and supplementary benefits.

Employee development refers to the systematic and structured process through which employees enhance their knowledge, skills, and career opportunities with the assistance and backing of their employer. This objective can be accomplished by means of formal training programs and opportunities for skill enhancement, guidance from experienced mentors, observing and learning from professionals in the workplace, engaging in challenging assignments that push one's capabilities, and investing in the development of employees' skills and knowledge. The process of employee development extends beyond the acquisition of skills necessary for current job responsibilities, aiming to facilitate employees' progression along their respective career trajectories. Career development refers to the sequential advancement of incremental actions undertaken in order to attain overarching professional objectives. The process encompasses the development of skill sets tailored to specific roles, which may entail enrolling in evening courses, engaging in professional networking, seeking mentorship, and assuming additional responsibilities within one's current employment (Cho & Guchait, 2019).

Retirement benefits, also known as stay bonuses, encompass a form of temporary supplementary compensation provided to employees in addition to their regular salary. The primary objective of this initiative is to enhance employee retention within their present roles. Elevated retention rates may serve as an indicator of a team's heightened motivation and engagement, exemplary performance, and provision of superior services. The significance of engagement lies in the fact that employees who possess a heightened level of concern for an

organization's mission are inclined to experience a profound sense of purpose in their respective roles, thereby exhibiting a greater degree of dedication towards their job responsibilities (Glebbek & Bax, 2018).

According to the findings of Akafo and Boateng (2019), employee recognition refers to the act of acknowledging and appreciating the exceptional productivity of the staff within an organization. The primary objective of employee recognition in the workplace is to reinforce specific behaviors, practices, or activities that lead to enhanced productivity and favorable business outcomes. According to Armstrong (2012), a significant driver of employee motivation is the desire to be respected and esteemed by colleagues. The most effective means of acquiring respect is through recognition for one's proficiency in their chosen field. While the general perception associates rewards and recognition with financial incentives or lavish ceremonies, it is important to note that appreciation for workers can be achieved without incurring excessive costs or pursuing expensive gestures. Employee rewards can manifest in the form of sincere expressions of appreciation, such as a pat-on-the-back and an authentic compliment. Expressions of gratitude can manifest in various forms, ranging from a concise electronic message conveying appreciation to a congenial salutation within a professional setting. Additionally, recognition of commendable performance, awards tailored to specific units within an organization, and the cultivation of an atmosphere of respect towards employees are further means by which gratitude can be demonstrated.

1.1.2 Employee Performance

Employee performance can be defined as the evaluation of the output produced by staff members taking into account both the quantity and quality of their work, while additionally taking into account the resources expended in the process (Van der Veer, 2016). According to Wigand, Roif, and Richweed (2017), employee performance can be defined as the tangible outcomes or achievements of an employee, which are evaluated in comparison to the intended outputs, goals, and objectives. According to Friedman and Greenhaus (2016), the assessment of employee performance entails evaluating an individual's output in relation to predetermined objectives and goals. Consequently, employee performance encompasses the comparison of actual results or outputs with the expected outcomes. According to Compton (2017), employee performance offers various advantages as it enables organizations to effectively align their employees, resources, and systems with their strategic objectives. Consequently, organizations that effectively manage employee performance are able to enhance their competitive prowess.

The performance of employees plays a pivotal role in the attainment of strategic objectives and overall organizational success. Motivation plays a significant role in shaping employee performance, as it represents an internal drive that influences an individual's behavioral patterns (Armstrong, 2012). According to the findings of Shree, Bharathi, and Manjunath (2019), it is argued that employee motivation yields greater benefits for the organization compared to alternative managerial strategies. The author elucidates that human resource performance is a prominent applied strategy employed by organizations, affording them a competitive edge over their competitors.

1.1.3 National Health Insurance Fund

The National Health Insurance Fund (NHIF) is a State Parastatal that was established in 1966 as a department operating under the purview of the Ministry of Health. The initial Act of Parliament that established this Fund in 1966 has undergone subsequent revisions to address the evolving healthcare requirements of the Kenyan populace, as well as changes in employment as well as reorganization of the health sector.

The Fund is now regulated by the NHIF Act No 9 of 1998. The purpose of the transition of NHIF from a department under the Ministry of Health to a State Corporation was to enhance operational efficiency and effectiveness. The primary objective of the Fund is to offer comprehensive medical insurance coverage to its members and their designated dependents, including spouses and children. The NHIF membership is available to all Kenyan individuals who have reached the age of 18 years. The National Hospital Insurance Fund (NHIF) operates a network of 95 branches that function independently, along with satellite offices and a presence in the 47 Huduma Centers located throughout the country. Each of these branches and satellite offices provide extensive customer service.

The overarching goal is to establish a reputation as a reliable and esteemed collaborator in safeguarding the well-being of the community. The primary objective is to promote the fair and long-term enhancement of well-being and health within our community, with the aim of mitigating the adverse effects of financial hardship. The stated objectives encompass several key areas: increasing revenue collection, engaging and educating customers, enhancing operational excellence, managing risk, and building a high-performance culture. The core values encompass four key principles, namely: "Find a Better Way," "NHIF Make a Difference," "NHIF Win Together," and "NHIF does the Right Thing."

1.2 Statement of the Problem

Public servants worldwide strive to deliver quality services to members of the public. As a result, motivation both financial and non-financial benefits helps to build feelings of confidence and satisfaction in employees and can be very important for their long-term effect. This is because the motivational approaches give the employees a sense of their worth and value to the organization (Boyett, Finlay & Escalano, 2018). This has also fueled various reforms to be initiated at various levels of government in order to improve service delivery. Article 230 (5) of the Constitution of Kenya, 2010 recognizes and mandates the Salaries and Remuneration Commission (SRC) to ensure that public service can attract and retain the skills required to execute their functions. The Salaries and Remuneration Commission has overtime reviewed the salaries of all state and public officers to boost morale and promote productivity at work (Public Service Strategic Plan 2019-2024). This has however not resulted in improved service delivery to members of the public. Nevertheless, members of the public continue to decry the deteriorating service and decline in the number of public servants offering the service.

The NHIF has implemented a series of internal restructuring reforms in order to achieve a competitive advantage in the rapidly evolving insurance industry. The primary focus of the fund's strategies can be summarized as effective management practices, rationalization of costs, creation of value, restructuring of the financial composition, establishment of market presence, fostering business growth, implementation of integrated communication, and achieving operational excellence (Njau, 2018). In spite of the aforementioned initiatives, an analysis conducted by Deloitte (2019) in their report titled "Strategic Review of the National Health Insurance Fund-Kenya" revealed that the NHIF has not yet successfully attained its strategic objectives as outlined in the Strategic Plan. The report additionally noted that there was a lack of alignment between the organizational, operational, and individual outputs within NHIF. According to the 2016 staff Performance Appraisal Report, there was a widespread reduction in funding for government agencies. The report highlighted several performance outcomes that indicated subpar employee performance, such as failure to meet goals or targets and a noticeable lack of motivation in their work. As a result, there arose a necessity to conduct training needs assessments and develop training programs for the personnel, as stated in the Human Resource Policies and Procedures Manual for the Public Service (2017).

Several studies have been conducted to investigate the relationship between motivation and employee performance. The study conducted by Adetola, Asaolu, and Olabumuyi (2022) centered on examining the impact of work motivation on the job performance of medical professionals at University College Hospital in Ibadan, Oyo State. According to Kipleting's (2019) study conducted at Eldoret Polytechnic, a significant correlation was found between financial benefits and employee performance, indicating a strong relationship between these two variables. In a recent study conducted by Kathure (2020) at the Kenya Tea Development Agency, the impact of non-financial benefits on employee commitment was examined. The findings revealed that non-financial benefits, such as favorable working conditions, training opportunities, and recognition, significantly influence employee performance. The research conducted by Sethi and King (2018) examined the impact of non-monetary rewards in the form of training on employee engagement and company performance within security firms, specifically focusing on the case of G4S in Nairobi. The result of the research indicated that employee training and career development exerted a substantial influence on the level of employee performance. Therefore, the utilization of organizational resources to facilitate training imposes additional burdens on companies in terms of financial resources.

From these studies, there are notable gaps that this study sought to address. The contextual gaps are observed on Adetola, Asaolu and Olabumuyi (2022) whose study was based in Nigeria and may not be applicable in Kenyan policies and practices. The empirical gaps observed on Kipleting (2019), Kathure (2020) and Sethi and King (2018) whose studies did not focus in public organizations. Still, conceptual gaps were shown by these studies considering that none of the authors involved compensation, career development opportunities, retirement benefits and

employee recognition in their studies. As a result, the current study was founded on those gaps. The gaps were to be filled by carrying out a study on the effect of motivation on employee performance in the public service, a case of National Hospital Insurance Fund.

1.3 Objectives of the Study

The study was guided by;

1.3.1 General Objective

The general objective of the study was to Investigate and analyze the financial aspects of motivational strategies employed by the National Hospital Insurance Fund (NHIF) and their impact on employee performance in the context of public service delivery.

1.3.2 Specific Objectives

1. Examine the financial impact of NHIF's motivational strategies on employee performance.
2. Quantify the correlation between employee motivation and cost-effectiveness in NHIF's public service delivery.
3. Analyze budgetary considerations linked to the sustainability of NHIF's motivational programs.
4. Identify specific financial incentives that demonstrably enhance employee productivity.
5. Propose actionable recommendations for NHIF and similar entities to align motivation strategies with fiscal responsibilities within a specified timeframe.

1.4 Research Questions

- i. How do the current motivational strategies at NHIF impact employee performance, and what is the measurable financial influence of these strategies?
- ii. What is the correlation between employee motivation and the cost-effectiveness of public service delivery, and can this correlation be quantified in financial terms?
- iii. What budgetary considerations are necessary for sustaining effective motivational programs at NHIF, and how can the financial aspects of these programs be analyzed for long-term viability?
- iv. Which specific financial incentives at NHIF significantly contribute to improved employee productivity, and how can these incentives be optimized to align with NHIF's financial goals?

1.5 Assumptions

The assumptions were made based on the basis that all these adopted variables: compensation, career development opportunities, retirement benefits and employee recognition would remain constant as an influence on employee motivation.

The study assumed that all respondents targeted in this study would fully cooperate during data collection session. The assumptions were made on the basis that all the respondents would provide genuine and correct information during data collection exercise.

The study assumed that all the respondents had the ability to comprehend questions that were provided to them. This study would additionally presuppose that the research questions, instructions, terms, and definitions employed were unambiguous and readily comprehensible to the participants. The research study operated under the assumption that the chosen design approach was both effective and suitable, thereby mitigating potential biases.

1.6 Justification of the Study

The performance of public service employees in Kenya has been a major problem characterized by low motivation and poor service delivery. The government had initiated various motivation strategies but still public service employees remain largely demotivated. Kiprop, (2018), revealed that one of the factors facing the public sector is low motivation of workers characterized by low work performance, poor service delivery, absenteeism from work,

corruption, theft, lateness, high rate of complaints, low quality of work, and high staff turnover. There exists a wide disparity between the reward systems and motivation in the public sector in Kenya. From these assertions, the study therefore sought to investigate the effect of motivation on employee performance in the public service, a case of National Hospital Insurance Fund.

1.7 Significance of the Study

The finding from the study are considered significant to;

1.7.1 Policy Makers at NHIF

The findings of this study will contribute to the policy makers at NHIF in comprehending various forms of motivations that have significant influence on employee performance thereby coming up with more and better alternative solutions that will help enhance motivation in the workplace. The implementation of the recommendations on best practices and policies in this study will provide and help the organization improve the workplace environment for employees to thrive in their delivery of services to the public. It will also help the organization to develop a clear employee motivation scheme.

1.7.2 The Central Government of Kenya

The regulators in the central government will benefit from the research findings by formulating high level policies to guide the implementation of employee motivation approaches in the public sector. In particular, the research will provide empirical evidence to help the government and policymakers to make informed decisions to reevaluate the human resource policies that will enable the government to achieve Vision 2030 and beyond.

1.7.3 Other Public Service Sectors

The findings of this study will help other public service sector in Kenya to understand the importance of employee motivation and its benefits to the organizations. For example, a clear understanding of which reward systems are best suited for public sector will help the organizations to effectively motivate their employees. Therefore, in formulating these policies, they will benefit from the critical analysis about motivational approaches in public service sector and the recommendations thereof.

1.7.4 Human Resource Practitioners

The outcomes of this study will be relevant to organizations outside of the public sector that apply motivational approaches to enhance employee performance. This is because, human resource practices cut across all the sectors of economy, thus, any HR practitioner will find this information useful in addition to what they so far have gathered.

1.7.5 Other Researchers

The study will contribute to the existing literature about role of motivation influencing employee performance in public sector in Kenya. It will provide the foundation for future studies in this area. The study will highlight its limitations and opportunities for future research at the end of the study to give future researchers an idea of how to improve on the findings.

1.8 Scope

The purpose of the study was to examine the effect of motivation on employee performance in the public service. For geographical scope, the study was based at National Hospital Insurance Fund, situated at Upper Hill, Nairobi City County. In content scope, the study entailed examining the four variables comprising of compensation, career development opportunities, retirement benefits and employee recognition on their influence on employee performance. In relations to context scope, the study targeted administrative staff at NHIF who helped in providing

data about the topic of study. This was achieved by use of primary data collection instruments. For time scope, the study was limited within time period of three weeks upon completion.

1.9 Limitations

The following limitations were experienced;

1.9.1 Suspicion

Research is always viewed as tool of inquisitive nature for information and therefore quite often elicits fear and anxiety among respondents. This are usually evident especially during the early visits to the organization. However, as the research students, we assured the staff with an introduction letter detailing all the information that would be obtained and how they would be used for academic purpose.

1.9.2 Confidentiality

Employees may not be necessarily ready to share critical information especially those that they consider would expose their organization to wider public scrutiny. As group research students, we assured the staff at NHIF that utmost confidentiality would be guaranteed in order to enable them participate with ease.

1.9.3 Lack of Accessibility

Challenges on lack of accessibility was initially experienced. This challenge arose where the management of this organization would decline to grant permission to go and carry out research on aspects related to employee motivation. However, as group researchers, were we prepared to address this challenge by use of student identification card and letter from the college that was addressed to the management of NHIF to grant permission for this research study to be undertaken because it was only meant to address academic tasks and not meant for commercial purposes.

1.10 Definition of Operational Terms

Career Development Opportunities

The lifelong process of a person's growth and progress in their career (Gyansah & Guantai, 2018)

Compensation

According to Kappel (2018), employee compensation refers to the aggregate amount of monetary rewards, such as incentives and commissions, as well as non-monetary benefits, that are provided to individuals in return for their services rendered to the organization.

Employee Performance

Performance can be defined as the degree of effectiveness, quality, and efficiency exhibited by individuals in carrying out their tasks (Decenzo & Robbins, 2017).

Employee Recognition

Employee recognition is the practice of acknowledging and reinforcing specific actions and habits exhibited by individuals within an organization who have demonstrated outstanding achievement (Cole, 2016).

Motivation

Motivation refers to the act of fostering individuals to engage in initiatives aimed at achieving specific objectives. Within the context of work goals, motivation encompasses the psychological factors that stimulate individuals' desires over monetary rewards or achievement (Boyett, 2015).

Retirement Benefits

A proposed strategy for allocating funds to be utilized post-retirement, that may also be interchangeably referred to in the following ways: pension account, pension plan, retirement account, retirement savings account, or retirement savings plan (Perrault & Hildenbrand, 2019)

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter provides an overview of the theoretical framework and reviews the existing empirical literature that examines the effect of motivation on employee performance within the public service sector. The specific case study used in this analysis involved the National Hospital Insurance Fund. The chapter additionally presented a concise overview of the literature review and the conceptual framework.

2.1.1 Theoretical Literature

Review of theoretical literature serves the purpose of identifying and examining existing theories, their interrelationships, the extent of their empirical investigation, and the formulation of novel hypotheses for future testing. The present study is based on several established theories in the field, including the theory on Hierarchy of Needs, The theory of Total Reward, Work Adjustment theory lastly, and Expectancy Motivation Theory.

2.1.1.1 Hierarchy of Needs Theory

The Hierarchy of Needs Theory was introduced by psychologist Abraham Maslow in his seminal paper published in 1943. Physiological needs encompass fundamental prerequisites for human survival, encompassing essential elements such as sustenance, attire, shelter, breathable atmosphere, drinkable water, and other necessary provisions. These fundamental requirements are crucial for the sustenance and perpetuation of human existence. They exert a significant impact on individuals' behavior. Across the vast array of diverse civilizations, it is imperative to recognize that physiological demands, commonly referred to as fundamental human needs, play an indispensable role in ensuring the survival of the human species. Physiological demands encompass various essential requirements such as sustenance, hydration, attire, habitation (alternatively known as accommodation or housing), rest, and procreation.

The necessary safety requirements According to Irizarry and Maloney (2018), once an individual has attended to their physiological needs, the initial stage in addressing their psychological and emotional needs involves acknowledging and tending to those needs. The objective of safety needs or security demands is to equip individuals with the necessary resources to protect themselves and their families from precarious circumstances, including social unrest, societal upheaval, and physical hazards that pose harm. According to Dagne (2018), the central objective of safety needs is to safeguard individuals from instances of violent conflict and criminal activities, thereby guaranteeing their survival in perilous environments. There is no doubt that numerous uncertainties are inherent in chaotic circumstances, social disorders, social disturbances, and social and physical threats, which pose a risk to individuals' ability to lead peaceful lives within various societal groups.

Esteem necessitates: According to Desai and Reimers (2019), individuals tend to shift their attention and focus towards alternative matters once their social needs have been fulfilled. These concerns may encompass various aspects such as social status, personal value, and self-worth, as well as factors like public perception, recognition, self-worth, and social standing. These concerns serve as a catalyst for individuals to engage in activities that undoubtedly contribute to the improvement of their overall well-being within various societal societies. Within various communities, there exists a prevalent inclination towards the pursuit of self-esteem and prestige, often manifested as an aspiration for elevated social standing or rank. This aspiration is characterized by a yearning for recognition, fame, and admiration from others. Within the framework of a human societal setting, it is logical to assert that the aspiration to achieve an elevated rank or role would necessitate an increased level of accountability. One example of this is when an individual or organization fulfills the role of being a community's primary repository of information and knowledge.

The highest tier within the hierarchy is commonly known as "Self-Actualization." The primary denotation of this term pertains to an individual's sense of contentment or fulfillment. This phenomenon acts as the impetus for individuals to alter their self-perception in order to actualize their maximum capabilities. Aspiration refers to the inherent drive to attain one's maximum potential and evolve into an optimal state of being. According to Onah (2015), self-actualization can be understood as the process of achieving self-fulfillment, wherein individuals strive to

reach their utmost potential in order to attain an optimal state of being within societal contexts. Self-actualization is an alternative designation for the aforementioned concept. Self-actualization or self-realization is a state in which an individual sought to fully utilize their inherent talents, gifts, and potential within the framework of societal norms and expectations. Within diverse social contexts, individuals are motivated to engage in innovation as a means of enhancing their social living conditions by addressing their inherent desires for self-actualization, which is also referred to as self-realization.

The present study explores the relationship between employee motivation, performance enhancement, and the application of Maslow's hierarchy of needs theory. Employees within an organization are subject to various influences, such as non-financial incentives, which aim to improve their performance and contribute to the overall success of the workplace. Similarly, addressing individual needs within the hierarchical structure is crucial for achieving organizational objectives and fostering continuous improvement. According to the hierarchy of needs hypothesis, individuals exhibit a fundamental drive to attain self-actualization, which represents the pinnacle of human development. All employees within an organization encounter similar circumstances. On a daily basis, they exert a significant amount of effort in order to attain greatness and encounter the sense of satisfaction that accompanies achievement.

2.1.1.2 The Total Reward Theory

The Total Reward Theory was formulated by Pawell Lewicki in 1985. The theory delineates an incentive plan that integrates elements such as development and education along with facets of workplace culture, within the framework of the compensation package. Both tangible and intangible rewards are deemed valuable in the comprehensive reward system. The interactions between employers and employees give rise to concrete benefits, such as company-provided training, financial incentives, and various privileges. Examples of intangible benefits include learning, personal growth, and professional experience.

The concept of total reward aims to optimize the positive impact that diverse forms of rewards can exert on organizational commitment, job engagement, and motivation. The integration of diverse incentive types enhances the efficacy of the comprehensive reward system. The aforementioned factors are expected to exert a substantial and long-lasting influence on the levels of motivation, dedication, and engagement exhibited by employees. According to Dale (2016), the adoption of a total incentive approach, which encompasses both relational and transactional rewards, tends to be more attractive to employees.

Chiang and Birch (2018) corroborated the findings of the present study by asserting that organizations that cultivate a culture of recognition and reward observe favorable outcomes in terms of employee motivation and effectiveness. The provision of appropriate incentives, such as training and skill development programs, serves as a means of expressing appreciation to the workforce, thereby indicating the employer's recognition of their contributions. Their contribution to the business will also be highly valued. Although the two terms are sometimes employed interchangeably, they possess discrete connotations. Rewards often encompass the tangible incentives offered to employees in recognition of their exceptional performance. This could be applicable to incentives such as gift cards and various other commodities. Examples of intangible rewards for exemplary organizational performance include receiving a standing ovation at the workplace, receiving congratulations from one's supervisor, being awarded an employee of the month sticker, or being granted company funding for training programs conducted within the institution.

The aforementioned concept holds significance in the present research as it elucidates the manner in which diverse forms of compensation establish a stronger connection between employees and the organization by offering compensation that aligns with individual needs. The organization's capacity to attract and retain personnel in order to meet the necessary level of organizational performance is facilitated by comprehensive rewards and compensation systems, including company-provided training opportunities.

2.1.1.3 Theory of Work Adjustment

The theory formulated by Rene Dawis emerged during the 1950s within the context of the Work Adjustment Project at the University of Minnesota. The theory of work adjustment elucidates the process and rationale behind

employees' adaptation to their work milieu. The depiction illustrates the process of adjustment as the reciprocal interaction between the employee (P) and the environment (E), wherein both entities exert influence on one another and respond accordingly. The interaction between P and E is facilitated by the fulfillment of requirements and capabilities on both sides. As long as each party is content with the resulting outcome, the interaction remains sustained. Nevertheless, in cases where either party or both express discontent with the result, efforts are made to make adjustments.

According to Murrey and Cole (2019), the theory of work adjustment places emphasis on the assessment of individual competences and the corresponding skill requirements within the work environment. Moreover, in accordance with the concept, employees seek out work environments that align with their preferences, while workplaces in turn seek out individuals who meet their specific requirements. Hence, it is postulated that the progression of one's career is an ongoing endeavor involving the adaptation of work circumstances, driven by a sense of dissatisfaction from both individuals involved (Dawis, 2019).

The theory of job adjustment has recently been linked to positive psychology due to its focus on satisfaction (Beck & Nesmith, 2019). Satisfaction fosters the reduction of workplace stress and the promotion of employee well-being. Al-Dabbagh (2018) posits that the theory of work adjustment encompasses not only career choice but also job performance. Based on the researcher's findings, the fulfillment of an employee's needs within the work environment leads to an increase in job satisfaction, thereby positively impacting productivity. For employees to effectively fulfill their duties, it is imperative to establish a coherent alignment between employee requirements and their work setting. This involves providing guidance on optimal career trajectories and facilitating professional growth and skill enhancement to establish a harmonious alignment between individuals and their respective work environments.

The theory relates to this study in the context that it helps in understanding that employee mentoring programs assist financial institutions to place employees in jobs that match their individual career preferences, needs and goals which is the main idea of the theory of work adjustment. Further, Employee Coaching, Employee Mentoring or Off-the Job Training enable employees to develop creativeness to adapt to the changing trajectory of their careers. This theory further expands on the value of training and learning in improving employee performance.

2.1.1.4 Expectancy theory of Motivation

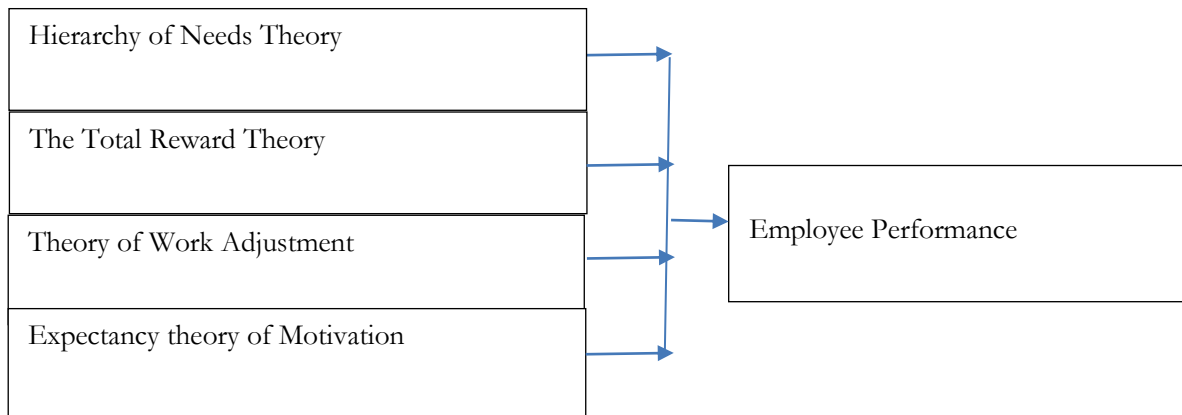
The Expectancy Theory of Motivation was formulated by Victor H. Vroom in the year 1964. According to the theory, individuals' behavioral patterns are attributed to their inherent motivations. Individuals determine what they do based on their perception of the anticipated outcomes of such behavior. This provides a rationale for the varying preferences individuals exhibit when selecting one emotional option over others. When an individual's behaviors lead to the intended consequences, they are likely to experience a sense of motivation to persist in those actions. In the event that their actions fail to yield the promised advantage, individuals may experience a decrease in motivation (Black, Stewart and Mendenhall, 2016).

Based on Stanhope (2016) who is a proponent of Expectancy theory The theory could assist in explaining why a person is able to perform at a certain level. This theory is able to help leaders implement initiatives that inspire employees and has been previously done so. This could improve both practical and beneficially motivation. According to this theory the motivation behind individuals is the notion that they was awarded something that meets some or all of their wants or needs. While the theory doesn't provide "all aspects" of a person's capacity for motivation, it can give managers a basis to get a better understanding of how they can motivate their employees. The expectation theory is believed to be a process-based theory of motivation based on its emphasis on the primary focus on the individual's perception of their environment and the subsequent interactions that happen directly as a result of the expectations.

This theory is a part of the current research, indicating that an individual's motivation is directly affected by their need for recognition, their trust that their effort was acknowledged and their confidence that achieving their goals will provide them with the rewards satisfaction they are seeking. Managers can utilize expectations Theory to understand the way that members of a group make choices in the workplace about the different options for behavior which can result in more employee recognition.

2.1.2 Theoretical Framework

A theoretical frame is the one which outlines or substantiates the theories of research inquiry. The framework presents and examines the theories that are fundamental to the study of the research question. Theories are developed to explain, anticipate and understand phenomena, as well as to evaluate and expand current knowledge within the limitations of the fundamental boundary assumptions (Cooper & Schindler, 2016).



Source: Research Data (2023)

Figure 2.1 Theoretical Framework

2.1.3 Empirical Literature

This section indicates various studies carried out in relation to compensation, career development opportunities, retirement benefits, employee recognition and employee performance at National Hospital Insurance Fund.

2.1.3.1 Compensation and Employee Performance

Kagwira, Namusonge and Kabare (2019) conducted a research study of compensation and reward on the organizational performance of companies which are listed on the NSE. The 98 respondents were picked through a simple random sample of an estimated 6,400 participants. The primary data was collected through questionnaires and interview scheduling using an amalgamation of closed and open-ended questions. The Statistical Package for Social Sciences (SPSS) was used to analyse the data. The results revealed a significant influence of compensation & Reward on organizational performance. The pay strategy that was adopted of basing compensation on knowledge was successful and produced positive ripple effects in motivating employees to pursue their education which in turn improves efficiency of the company. Based on the results in the study, it has been suggested that any other rewards or strategies should be analysed and implemented. The pay must continue to keep pace with evolving standards of the industry. But efforts should be made to provide higher wages to not lose the seasoned human capital.

Kangangi and Kamure (2018) conducted a study on the effect of performance-based rewards on the performance of businesses that operate retail stores within Meru Town. The study used an approach of cross-sectional surveys. The participants comprised employees from the seven main supermarkets that operate within Nakuru Town. The sample size of 308.8 people was chosen using a multi-stage sampling method. The total number of questions were returned. Multi-regression models were utilized to analyse the data gathered. The study revealed that employees react positively to appreciation that is expressed by performance-based incentives for their work since they know that their work is recognized by others, which is an indication that systems for compensation reward are a way to boost more effective organizational performance and behaviour management.

Omondi and Kamau (2020) explored the effects of remuneration and employee retention at commercial banking institutions in Kenya and Kenya, in a case study that involved Kenya Commercial Bank. The study employed the method of descriptive research. The study was conducted on all employees of Kenya commercial bank in the

headquarters. The study's sampling frame consisted of the complete list of people employed by Kenya commercial bank at its headquarters, consisting the following: 45 human resources workers 40 finance staff 35 customer service employees 30 credit workers and 34 IT department. Simple random sampling was used to choose the participants from the sample frame. The study was conducted using both primary and secondary data. Primary data collected using questionnaires. Dispersion measures such as standard deviation and the mean were employed. The study concluded that good incentive programs motivate employees within an organisation. A well-designed reward system within the workplace can reduce employees' turnover rates. The reward for employees does not reflect the contribution of employees within this company.

2.1.3.2 Career Development Opportunities and Employee Performance

The study conducted by Nyabuti, Chepkilot, and Zakayo (2019) examined the impact of utilizing career coaching as a motivational approach on the performance of employees within the Civil Service in Kenya. Accurate profiles of individuals and situational events were demonstrated through the utilization of a descriptive survey research design. The study's target population consisted of 531 employees from the State Department for Livestock. The primary instrument employed by the researcher for data collection was a questionnaire. The data collected was subjected to quantitative data analysis techniques, with the Statistical Package for the Social Sciences (SPSS) employed for the purpose of analysis. The analysis employed descriptive statistical methods, including measures such as the mean, standard deviation, frequencies, and percentages. The study revealed that the implementation of coaching strategies led to enhanced team collaboration and increased employee satisfaction. Consequently, this fostered the recognition of potential areas for growth and development, benefiting both individual employees and the overall organization.

Cherotich, Rop, and Bett (2021) conducted a research investigation examining the correlation between job rotation and employee performance in level-four hospitals located within the South-Rift region of Kenya. The theoretical framework of this study was based on three key theories: human capital theory, knowledge-based theory of the firm, and social learning theory. The study utilized correlational and survey research methodologies, focusing on a sample of 663 medical personnel selected from a total of 13 Level Four Hospitals. A sample size of 249 was determined for the study, employing the stratified simple random sampling method to select the participants. Data was gathered through the utilization of a structured questionnaire, the reliability of which was assessed via a pilot study. The data was categorized using descriptive statistics, specifically the mean and standard deviation. The study hypothesis was tested using the correlation coefficient. The results were presented in tabular format. The research findings indicate that the implementation of job rotation practices is associated with reduced turnover rates, enhanced labor flexibility, and the potential to mitigate employee stress. It has been further established that the implementation of job rotation programs can facilitate workers' comprehension of their level of competence development.

The study conducted by Manyasi, Kibas, and Chepkilot (2018) examined the impact of mentoring programs on the performance of employees within Kenyan Universities, with a particular emphasis on Kenyatta University. In order to accomplish the stated objectives, a survey research design was implemented, with the data being analyzed using a descriptive technique. The findings of the study suggest that there exists a statistically significant and positive correlation between knowledge transfer, mentoring, and the professional advancement of junior lecturers. The research employed a descriptive research design and utilized a simple random sampling technique to select department heads as participants. Data collection was conducted through the administration of questionnaires. The findings of the study indicated that the implementation of a mentoring program yielded significant benefits for the staff, as it effectively enhanced the research capabilities of both junior and senior members. Furthermore, the program fostered the formation of cohesive research teams within various departments. Additionally, it was determined that the presence of mentoring relationships played a vital role in the retention of employees, thereby fostering a greater sense of commitment to the organization. Moreover, these relationships facilitated the development of professional networks for the individuals involved.

In their study, Ratemo, Makhamara, and Bula (2021) conducted an analysis of career workshops and their impact on employee performance. The research was carried out at the Kenya Forestry Research Institute Headquarters, located in Kiambu County, Kenya. The research employed a positivist philosophical framework and adopted a descriptive research methodology. The target population consisted of the entire staff of 178 individuals employed at the Research Institute. A stratified random sampling technique was employed to select a sample of 121 respondents.

The collection of primary data was conducted utilizing a semi-structured questionnaire, while the analysis of qualitative data was performed using thematic analysis. The analysis of descriptive statistics primarily centers on the examination of frequency distribution, percentages, as well as measures of central tendency such as the mean, and measures of variability such as the standard deviation. The research findings indicate that participation in workshops has a positive impact on employee performance by enhancing their skills, capabilities, competencies, and knowledge acquisition. The research additionally revealed that a workshop has the potential to stimulate novel ideas in situations where an organization encounters a deficit in knowledge or talent.

2.1.3.3 Retirement Benefits and Employee Performance

Thujo and Wambugu (2022) conducted a study examining the impact of retirement programs on employee job satisfaction within a specific group of universities in Kenya. The study utilized a sample size of 129 individuals from a larger population of 1,954 employees, which encompassed both teaching and non-teaching staff members. The study revealed that employee satisfaction in the chosen universities was influenced by the management of pension schemes and the manner in which terminal benefits were resolved. This finding suggests that retirement programs have a positive impact on employee satisfaction in the workplace. However, it is important to note that this research, which is primarily focused on universities, may not be fully representative of all other types of organizations. As a result, there may be a contextual deviation from the scope of our current study.

The study conducted by Munywoki (2019) examined the impact of retirement programs on the level of job satisfaction among employees of Kenya Railways. Two theories that have been discussed are the Expectancy Theory of Motivation and the Spill Over Theory. A sample of 100 workers was selected using a stratified random sampling procedure. Primary data was collected using a structured questionnaire that was self-administered. The data was subjected to analysis utilizing statistical measures such as the mean, standard deviation, and regression charts. The data was compiled and analyzed, and visual representations were created. The research revealed that retirement programs, while not receiving as high ratings as other employer-provided welfare benefits programs, had a discernible positive influence on job satisfaction. The study was conducted using a range of employee welfare programs, including retirement, to determine the overall rating. Nevertheless, the focus of this study may deviate from the current context due to its reliance on the Kenya Railways Corporation and its welfare programs, which are tailored to the needs of the organization's employees.

In a study conducted by Robles (2018), the impact of retirement benefits on employee satisfaction in five-star hotels in Nairobi was investigated. One of the primary objectives of the study was to determine the extent to which retirement benefits influence employee satisfaction. The research sample consisted of 1,824 employees working in five-star hotels. Primary data was obtained by administering a structured questionnaire. The study's findings indicate that retirement benefits have a positive impact on employee satisfaction and productivity. The researchers observed that employees are motivated not only by salaries, but also by long-term benefits such as pensions. This study may reveal a contextual discrepancy, as the industry being examined differs from our present context. However, it is possible to replicate the methodology employed in this study.

2.1.3.4 Employee Recognition and Employee Performance

Kanengoni (2019) conducted a study examining the effects of recognition-based benefits and rewards on employee performance within a specific sample of retail establishments located in Nakuru Town. The research utilized a cross-sectional survey design. The study's sample consisted of 1560 employees who were employed across the seven primary supermarkets operating within Nakuru Town. A total of 308 participants were chosen for the study through the utilization of a multi-stage sampling technique. A total of 178 questionnaires were received and completed by participants. The data collected was analyzed using multiple regression models. The research revealed that employees exhibit a positive reaction when they receive appreciation in the form of recognition for their exemplary performance, as it serves to validate the significance of their work in the eyes of others. When employees perceive that their contributions and efforts are recognized and appreciated, it leads to an increase in their levels of job satisfaction and performance. This recognition serves as a motivating factor for employees to sustain or enhance their current level of performance. The study suggests that organizations should implement recognition-based rewards systems that are designed to incentivize performance. Consequently, it is recommended that most

organizations adopt such recognition reward systems in order to reinforce improved performance and behavior management.

In a recent study conducted by Karandish (2020), the focus was on examining the advantages of recognition benefits as non-monetary and non-financial incentives for employees within higher education institutions. The survey was specifically conducted among public universities located in Nairobi. The research was carried out utilizing a survey methodology. The study encompassed a total population of 4967 academic staff members across the seven fully established public universities. A stratified random sampling technique was employed in order to acquire a sample size of 496 participants. The data was obtained through the administration of a questionnaire. Interviews were conducted with the registrars responsible for the administration of the seven public universities. The data underwent analysis utilizing descriptive statistics, specifically the mean and standard deviation. The inferential statistics employed in the study encompassed correlation analysis, the enter method of multiple regression, and multiple regression analysis. The findings of the study indicate that employees who are employed in institutions with robust recognition programs and engaging work environments contribute notable enhancements to organizational performance. The study suggests that it is advisable for management to recognize the importance of acknowledging employees, as this can enhance their sense of empowerment and contribute to the establishment of a positive company culture. Furthermore, such efforts have the potential to generate increased revenue and facilitate the achievement of organizational objectives within the desired timeframe.

In a study conducted by Mehta (2018), an examination was undertaken to explore the various factors that influence the implementation of recognition benefits programs within manufacturing firms located in the Nairobi Industrial Area. This study examines the case of Sadolin Paints Limited. The study utilized a case descriptive research design, with a target population consisting of 278 employees at Sadolin Paints (EA) Ltd. The research employed a stratified random sampling technique. The researcher utilized a sample size that constituted 50% of the total target population. The data was obtained via self-administered questionnaires. The questionnaires comprised a combination of open-ended and closed-ended questions. The data was analyzed utilizing descriptive methodologies, such as calculating percentages and frequencies. The data that was gathered was subjected to analysis using Microsoft Excel and SPSS software, and the findings were subsequently presented in the form of tables and graphs. Based on the inferred findings, it is evident that recognition benefits programs have a positive impact on fostering professional development and advancing career trajectories, as they empower employees to undertake additional responsibilities and enhance their overall job performance. The study suggests that the implementation of reward and recognition programs can foster a constructive employer-employee relationship, leading to increased job satisfaction and improved performance outcomes for the organization.

2.1.3.5 Employee Performance

According to Asaminew (2017), the concept of employee performance encompasses the evaluation of an individual employee or a collective group of employees in terms of their efficiency and effectiveness. The evaluation of employee performance can be conducted by assessing the productivity and achievements of an employee over a designated timeframe. The evaluation of an employee's performance is conducted in comparison to the average performance of employees engaged in a similar task. Abbas (2016) asserts that employee performance is a crucial aspect in the comprehensive management of an organization. The absence of satisfactory employee performance would impede the organization's ability to achieve its intended objectives.

The study conducted by Kefay and Kero (2019) examined the impact of a non-financial reward scheme on the performance of employees in the Commercial Bank of Kenya located in Eldoret Town. The researcher has reached the following conclusion: Assessing employee performance is highly significant for an incentive program as it addresses the importance of established organizational objectives. Various factors can adversely affect employee performance, one of which is the work environment. Among the various factors that influence employee performance, the significance of rewards as a source of motivation cannot be understated. The bond between employees and employers, the availability of preparation and job enlargement opportunities, job confidence, and the organization's rules and procedures for rewarding employees all contribute to the overall impact on employee performance. However, it is worth emphasizing that the inspiration derived from rewards holds considerable importance in this regard.

The influence of career development on employee performance within the public sector in Kenya, specifically government Ministries, was investigated in a study conducted by Jakaya (2019). The primary objective of this study was to examine the perception of 250 civil servants working across 15 state departments in different Ministries. To achieve this, the researchers employed the method of structural equation analysis, utilizing the SmartPLS 2.0 program. The results of the study indicated that there was a significant positive relationship between career development and perceived support from the organization, motivation, and affective commitment. Nevertheless, it is worth noting that career development did not exhibit a direct impact on performance. Theoretical implications of these findings suggest that the progression of one's career may rely on the organization's ability to offer perceived organizational support and motivation, which in turn promotes affective commitment and performance.

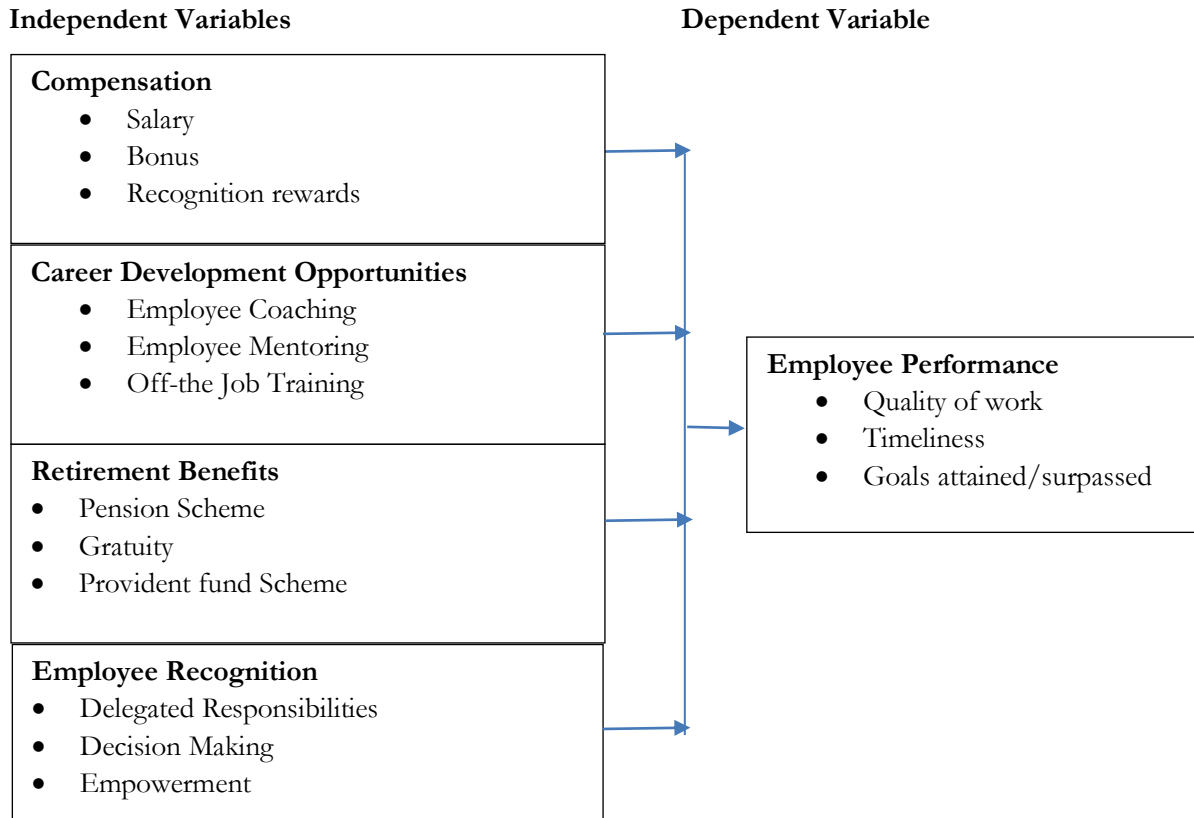
2.2 Critiques of Existing Literature

Omondi and Kamau (2020) undertook a study on the effects of remuneration and compensation on employee retention at commercial banking institutions in Kenya on a case that involved Kenya Commercial Bank (KCB). The research utilized primary as well as secondary data. Primary data collected using questionnaires. The study revealed that Adequate reward systems in an business would lower the turnover rate. While the study did address the subject of compensation, the author did not connect the issue to performance of employees, which this study aims to solve, instead the focus was on retention. It was based on commercial banks. The current study is aimed at addressing aspects of compensation and their impact on the performance of employees in the public sector, specifically NHIF. Manyasi, Kibas and Chepkilot (2018) examined the impact of mentorship programs on student performance in Kenyan universities, with a particular focus the Kenyatta University. The findings showed that there was a substantial positive correlation between the transfer of knowledge, mentoring and the development of lecturers in junior positions. Although this study is important to address the issue of career development for employees, only a few or no particulars about the work of public sector employees particularly NHIF which has led to a significant difference.

A study conducted by Jakaya (2019) investigated the effect of career development on employees' performance in the private sector within Kenya and in relation to government Ministries. The study revealed that career development was an impact on organizational support perception motivation, as well as affective commitment. However, it did not directly impact performance. These results suggest that career development could be dependent on the degree of an organization competent in providing perceived motivation and support for its employees in improving performance and affective engagement.

2.3 Conceptual Framework

The study will utilize a conceptual framework, which is a type of analytical tool that can be found in various configurations and contexts. The utilization of this tool serves the purpose of conceptual definition and cognitive structuring, facilitating the identification and elucidation of the interconnections existing between independent variables and the dependent variable (Krishnaswami, 2018).



Source: Research Data (2023)

Figure 2.2 Conceptual Framework

2.4 Summary

The summary demonstrates the relationship between the dependent and independent variables. Motivation dimensions, which are the independent variable, deal with processes that improve the performance of employees and includes opportunities for career development, compensation retirement benefits, and recognition. The performance of employees that is dependent is a result of employees completing their job, and this is demonstrated by the published work they have published, as well as better relations with colleagues, and better. The dependent variable could be influenced by other variables that are not directly connected with motivational strategies, such as the quality of work, timeliness and goals achieved or surpassed.

2.5 Research Gaps

Kagwira, Namusonge and Kabare (2019) conducted research on the impact of compensation and reward on the organizational performance of companies which are listed in the NSE. The study revealed the significant impact of compensation & Reward on organizational performance. As for the other side, Kangangi and Kamure (2018) carried out an investigation on the impact of performance-based compensation on the organizational performance in grocery stores that sell retail within Meru Town. The research found that employees react positively to the appreciation shown through performance-based incentives for their work as it demonstrates that their work was recognized by others, which is an indication that the systems of compensation and rewards can be utilized to encourage the performance of an organization and improve behaviour management. In addition, Nyabuti, Chepkilot and Zakayo (2019) investigated the impact of Career coaching to serve as a motivating strategy for employees for the Civil Service in Kenya. It was discovered that coaching helped improve team cohesion and improved the happiness of employees and resulted in recognition of potential for improvement for both employees as well as for the business overall. In spite of the research that was highlighted that there was a lack of research due to the fact that the focus was on diverse industries and did not consider the effects of non-financial benefits to

employees' performance. Therefore, this study sought to address the effect of non-financial benefits on employee performance in the Public Service.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design

Research design is the framework, plan or blueprint which outlines the method and procedure to collect and interpret the crucial information. The plan serves to guide the execution of research (Kitchenham and Pfleeger, 2018.). There are four kinds of research that can be conducted: descriptive, which is designed to accurately and precisely describe a particular situation, group of people or event. It is able to answer which, when, where and why questions. It is possible to conduct correlational research, which is research that is not experimental where the researcher takes measurements of two variables and evaluates the statistical connection. There is still causal-comparative/quasi-experimental research which is used to identify a cause-and-effect relationship between two variables, where one variable is dependent and another is independent and lastly, experimental research which is conducted with a scientific approach using two sets of variables.

In this study descriptive research approach was used. Descriptive design is an academic method of study that requires the gathering and analysis of data to describe a situation in its current condition or state. As per Trochim (2014) the descriptive method is preferred due to the fact that it facilitates researchers to collect accurate, current data from the people who are surveyed. The purpose of this sort of research is to examine frequency distributions, averages and other statistical computations about effect of motivation on employee performance in the public service, a case of National Hospital Insurance Fund.

3.2 Study Population

The definition of a target population by Krishnaswami (2016) refers to the sum of all elements with at least has one characteristic in common. Mugenda and Mugenda (2003) state that a research group is often referred to as a clearly defined group of objects or individuals that share a similar characteristic. Thus, all people or objects in a specific population typically share an underlying common characteristic. The study focused on around 230 employees from different departments of NHIF, Nairobi. The staff was sourced from Senior Management Level, Middle Level Management (departmental Heads, supervisory) and Operations Staff (lower-level management).

Table 3.1 Target Population

Target Population	Frequency	Percentage (%)
Senior Management Level	16	7
Middle Level Management (departmental Heads, supervisory)	28	12
Operations Staff (lower-level management)	186	81
Total	230	100 (%)

Source: NHIF, (2023)

3.3 Sample Frame

Cooper and Schindler (2015) describe a sampling frame as a list of all population members from which a sample is drawn. The sample frame comprised of Senior Management Level (16), Middle Level Management (departmental Heads, supervisory) (28) and Operations Staff (lower-level management) (186).

According to Glass and Hopkins (2017) argues that a sample 10% and above is appropriate representative of the target population. From the entire NHIF population in the departments with a population of 230 respondents, the study adopted 20% sample size giving a total of 46 respondents being a representative of the population using the stratified random sampling techniques.

Table 3.2 Sample Size

Target Population	Frequency	Percentage Ratio	Sample Size
Senior Management Level	16	0.2	3
Middle Level Management (departmental Heads, supervisory)	28	0.2	6
Operations Staff (lower-level management)	186	0.2	37
Total	230	0.2	46

Source: Research Data (2023)

3.4 Sampling Size and Sampling Technique

The sample design for this research was a stratified sampling design. It is described by Peil (2010) in the form of a method of sampling using probability wherein researchers split the population into various subgroups or strata, and then randomly selects the participants according to the strata that they are in. In statistical analysis, if the subpopulations of an overall population differ, it is important to test every segment (stratum) in isolation. However, Holborn as well as Langley (2018) claim that stratification is the process of splitting individuals of the population into homogeneous subgroups prior to conducting sampling. The strata has to be mutually exclusive. Each part of the population has to be assigned to just one stratum. The strata should also be comprehensive in the sense that any element in the population can be excluded. Then, the basic random sample or systemic sampling process is used on every stratum. This can improve the quality in the sampling by lessening the error of sampling.

Mugenda (2003) states that the stratified random sampling technique ensures that all people are included. In this case, the method is used because it detects sub-groups of the population, and then selects each sub-group to create an actual sample. The selection of participants from the sup-groups in order to make up the samples was done through simple random sampling.

3.5 Data Collection Procedures

The primary data was gathered using questionnaires. The term questionnaire is described in the work of Glen (2012) as an instrument that is written and presents participants with a set of statements or questions to which they are expected to respond in writing their responses or choosing the available answers.

A questionnaire was created and distributed to the respondents at the NHIF office in Nairobi, Upper Hill. This was done by using the standard technique of delivery by hand. Respondents were given three days to complete the questionnaires prior to being returned and analysed. To get the most useful data, closed-ended questions were utilized, which often indicate the choices to be considered.

3.6 Research Tools

This research adopted questions because, according to Lyon (2018), questionnaires can be utilized to gather data on things that are not immediately visible, like personal experiences, opinions or values and preferences. They are much more practical to utilize as opposed to direct observation for data collection. Cohen (2017) offered advantages of questionnaires such as: they can be distributed to large groups of people, the respondents are able to complete questions at their most convenient time and answer questions in any order to avoid questions, attend multiple sessions to answer questions, and then write remarks. The cost and time required with questionnaires is lower than interviews.

3.7 Piloting of Research Tools Testing

The study validated questionnaires by carrying out reliability and validity tests.

3.7.1 Validity of Research Instruments

Validity refers to the extent to which a tool for research evaluates what it is supposed to be measuring. It is the amount of accuracy with which a survey instrument evaluates the things they are supposed to determine (Kothari 2012). Before collecting data, validity of the content was carried out in which the researchers reviewed the instrument for data collection with their supervisor. This aided in determining the accuracy of the questions being asked as well as the language that were utilized for the survey to establish if there was any difficulty in understanding of the questions within the research instrument.

3.7.2 Reliability of Research Instruments

Holborn Langley and Langley (2018) describe reliability as a measure of the frequency of a test instrument that yields same results when used on the same subject over time. Reliability lets the researcher identify obscure or insufficient elements in instruments for data collection. To verify reliability, five questionnaires were developed then followed by a test pilot among employees of the ministry of health in Nairobi in the belief that they were working on the same service delivery focusing around health of the people. The results were used in order to evaluate whether the remaining questionnaires were legitimate. At the conclusion of the exercise, it was necessary to make corrections on the primary questionnaires prior to being distributed to all personnel at NHIF, Nairobi.

The researcher applied an internal consistency test for the instrument to determine their reliability. In accordance with Trochim (2014) an instrument must be able to demonstrate a Cronbach Alpha value that is greater than 0.7 for it to be deemed as high internal consistency. The researcher utilized the results of the pilot study in order to determine the Cronbach's Alpha Coefficient at a confidence interval of 95 percent. The results from the study pilot were fed to computers and the Cronbach's Alpha determined by using SPSS Version 26. The survey that is determined that has a Cronbach's Alpha value that is greater than 0.7 was considered to be valid while being used in the sample, without modifications.

3.8 Data Processing and Analysis

The procedure for data analysis has been described by Kothari (2012) as the process of collecting the data, by arranging them and arranging its major elements in a manner that the results are easily and effectively communicated. Once all the required data is gathered editing, coding and tabulation are completed. The information gathered was purely quantitative and was analysed using descriptive statistics for the determination of measures of central tendency. They were presented in terms of frequency, percentages, averages and standard deviations in final report. The statistical program SPSS version 26 was used for data analysis because of its ability to produce precise numerical results, lastly, data was presented on table for clarity of findings.

CHAPTER FOUR: PRESENTATION, ANALYSIS AND INTERPRETATION OF DATA

4.0 Overview

This chapter constitutes data analysis, presentation of findings that were collected, interpretation of the analyzed data and the findings.

4.1 Data Presentation and Analysis

The following comprises of presentation of data.

4.1.1 Response Rate

Table 4.1 Response Rate

Category	Frequency	Percentage
Response	35	76
Non-Response	11	24
Total	46	100

Source: Researcher (2023)

Response rate shows the number of distributed questionnaires, returned and non-returned questionnaires. As summarized on the table 4.1, a total of 46 questionnaires were distributed to the respondents out of those questionnaires, 35 were answered well and returned equivalent to 76% while 11 questionnaires were not returned and they were equivalent to 24%. According to Mugenda and Mugenda (2008), a response rate of 50% is adequate for analysis and reporting, a response rate 60% is good and a response rate of 70% and over is excellent. From this study, having 76% as a response rate was considered excellent for the study.

4.1.2 Pilot Test Results

The study adopted reliability test by use of Cronbach’s Alpha and validity test which was to undertake content validity test.

4.1.2.1 Reliability Test Results

The study undertook the reliability test results by using the Cronbach’s Alpha that is used to measure and determine internal consistency of items. Cooper and Schindler (2013) indicated that Cronbach Alpha measures range that is between 0-1, therefore, when the Cronbach Alpha has a score between 0-0.6 it shows the instrument reliability is low whereas a score of 0.7 and above is a revelation that the reliability and internal consistency is high.

Table 4.2 Reliability Results

Variables	Number of Items	Cronbach’s Alpha Value	Recommendations
Employee performance	6	0.949	Accepted
Compensation	6	0.977	Accepted
Career development opportunity	6	0.970	Accepted
Retirement benefit	6	0.964	Accepted
Employee Recognition	6	0.946	Accepted

Source: Research Data, (2022)

The presentation showed the reliability tests using Cronbach Alpha. It was established that for employee performance, internal consistency was 0.949, compensation had a measure of consistency that was 0.977 whereas career development opportunities had internal consistency of 0.970, retirement benefit had a measure of 0.964 and employee recognition had a measure of 0.946. Going by all the variables’ internal consistency measurement of Alpha value, it was over 0.7. The results showed that all the variables were reliable considering that they were over 0.7 thresholds.

4.1.2.2 Validity Test Results

Validity tests were done by analyzing the content of the questionnaires. Therefore, the research expert and project supervisor confirmed that the content of the questions were well structured.

4.1.3 Gender

Table 4.3 Gender of Respondents

Category	Frequency	Percent	Valid Percent	Cumulative Percent
Female	16	45.7	45.7	45.7
Male	19	54.3	54.3	100.0
Total	35	100.0	100.0	

Source: Researcher (2023)

This research study intended to establish the gender of respondents. The findings as shown on the table 4.3 revealed that a total of 54.3% of respondents were male however 45.7% were female. The study found that there was good representation of gender in the research study.

4.1.4 Age of Respondents

Table 4.4 Respondents' Age

Category	Frequency	Percent	Valid Percent	Cumulative Percent
18-25 years	2	5.7	5.7	5.7
26-30 years	4	11.4	11.4	17.1
31-35 years	7	20.0	20.0	37.1
36-40 years	4	11.4	11.4	48.6
40 years and above	18	51.4	51.4	100.0
Total	35	100.0	100.0	

Source: Researcher (2023)

The presentation showed age of respondents involved in the study. A total of 5.7% of respondents were between the age of 5-7 years, 11.4% of respondents were between the age of 26-30 years, 20% of respondents were aged between 31-35 years whereas 11.4% were between the age of 36-40 years. Lastly, majority of respondents being 51.4% were over the age of 40 years. An indication that majority of respondents were considered mature and considerable period in the work field to participate in a research exercise.

4.1.5 Education Level

Table 4.5 Highest Level of Education

Category	Frequency	Percent	Valid Percent	Cumulative Percent
O-Level certificate	2	5.7	5.7	5.7
Diploma level	6	17.1	17.1	22.9
Bachelors' degree	17	48.6	48.6	71.4
postgraduate degree	5	14.3	14.3	85.7
Other certifications	5	14.3	14.3	100.0
Total	35	100.0	100.0	

Source: Researcher (2023)

The summary of data analysis was based on education level of respondents. Table 4.5 depicts that only 5% of respondents O-level, 17.1% had diploma level while 48.6% had bachelor's degree as 14.3% of respondents had post graduate degree as well as 14.3% who had other certification in medical and insurance field. This study indicated

that university graduates (bachelors) had dominated this study; this implies that the staff responsible with addressing the aspects of motivation were learned.

4.1.6 Work Experience

Table 4.6 Work Experience

Category	Frequency	Percent	Valid Percent	Cumulative Percent
less than 1 year	1	2.9	2.9	2.9
1-4 years	3	8.6	8.6	11.4
5-8 years	3	8.6	8.6	20.0
9-12 years	12	34.3	34.3	54.3
12 years and over	16	45.7	45.7	100.0
Total	35	100.0	100.0	

Source: Researcher (2023)

The analysis of the study findings was geared towards showing work experience of respondents. According to the study findings represented on the table 4.6, a total of 2.9% of respondents had a work experience of less than 1 year, 8.6% were serving between 1-4 years, 8.6% again were serving between 5-8 years while 34.3% were serving for a period between 9-12 years and 45.7% indicated that they had served for over 12 years. This showed that majority had served for over 12 years, implying that there was good experience among employees regarding the aspects of employee motivation in public service.

4.1.7 Compensation and employee performance at National Hospital Insurance Fund.

The research sought to establish the effect of compensation on employee performance at National Hospital Insurance Fund. The results of the findings were shown on table 4.7 as follows;

Table 4.7 Compensation

Statement	SA	A	N	D	SD	Mean	Std. Dev
Employees are paid appropriately according to work done	(17) 48.8%	(8) 22.9%	(4) 11.4%	(2) 5.7%	(4) 11.4%	3.91	1.37
Salary packages offered motivate employees to achieve organization's objectives	(14) 40%	(10) 28.6%	(3) 8.6%	(5) 9%	(3) 14.3%	3.77	1.35
Bonus is used as way of rewarding high performing employee	(16) 45.7%	(14) 40%	(2) 5.7%	(2) 5.7%	(1) 2.9%	4.20	0.994
Bonus based on goals achieved improves employee performance	(10) 28.6%	(4) 11.4%	(9) 25.7%	(5) 14.3%	(7) 20%	3.14	1.49
Employees are recognized and rewarded fairly in the organization	(20) 57.1%	(10) 28.6%	(1) 2.9%	(2) 5.7%	(2) 5.7%	4.25	1.14
Employees are rewarded based on level of performance	(18) 20%	(11) 48%	(1) 16%	(2) 7%	(3) 9%	4.11	1.25

Source: Research Data (2020)

Table 4.7 comprised of summarized data on the effect of compensation on employee performance in public service. Going by the responses, the study established that employees are paid appropriately according to work done as shown by majority of respondents 48.8% and a mean of 3.91 and std. dev. of 1.37. Still, a total of 40% who strongly agreed claimed that salary packages offered motivated employees to achieve organization’s objectives. This was confirmed by a mean of 3.77 and std. of 1.35. The study found that bonus is used as way of rewarding high performing employees as shown by a total of 45.7% of respondents who agreed and was provided by a mean of 4.20 and std dev. of 0.994. Additional analysis showed that bonus based on goals achieved had influence on improving employee performance as shown by majority of respondents totaling to 28.6% corresponding to a mean of 3.14 and std. dev. 1.49. The study also established that employees are recognized and rewarded fairly in the organization as depicted by 57.1% and this corresponded a mean of 4.25 and std. dev. of 1.14. Further analysis revealed that employees are rewarded based on level of performance done as shown by a mean of 4.11 and std. dev. of 1.25.

The findings derived from the study used a composite mean of 3.89 to affirm that compensation had influence on employee performance at National Hospital Insurance Fund. This was a revelation that an organization that strives to pay better than others are likely to secure high valued and skilled employees whose valuable input to the organization can have profound effect on the performance of the organization as well. These findings were considered similar to those provided by Kangangi and Kamure (2018) who conducted a study on the effect of performance-based rewards on the performance of businesses that operate retail stores within Meru Town and found that employees react positively to appreciation that is expressed by performance-based incentives for their work since they know that their work is recognized by others, which is an indication that systems for compensation reward are a way to boost more effective organizational performance and behaviour management.

4.1.8 Career Development Opportunities

The study sought to determine the effect of career development opportunities on employee performance at National Hospital Insurance Fund. The results of the findings were shown on table 4.8 as follows;

Table 4.8 Career Development Opportunities

Statement	SA	A	N	D	SD	Mean	Std Dev
The organization offers mentoring sessions for the employees	(21)60%	(9) 25.7%	(3)8.6%	(1)2.9%	(1)2.9%	4.37	0.97
the organization provides its employees with career coaching and counselling services	(10)28.6%	(7)20.0%	(1)2.9%	(11)31.4%	(6)17.1%	3.11	1.54
Career guidance sessions are available to most employees	(23)65.7%	(5)14.3%	(1)2.9%	(2)5.7%	(4)11.4%	4.17	1.40
The organization sponsors employees for professional studies.	(20)57.1%	(9)25.7%	(1)2.9%	(2)5.7%	(3)8.6%	4.17	1.27
Career development has a major contribution to my level of commitment to the organization	(24)68.6%	(4)11.4%	(1)2.9%	(1)2.9%	(5)14.3%	4.17	1.46
Career development creates room for growth in the organization.	(16)45.7%	(11)31.4%	(4)11.4%	(2)5.7%	(2)5.7%	4.05	1.16

Source: Research Data (2022)

From the responses provided, it was established from the majority of respondents who were 60% that the organization offers mentoring sessions for the employees. This was depicted by a mean of 4.37 and std. dev. of 0.97. The study further showed that the NGO provides its employees with career coaching and counseling services

as shown by 28.6% of respondents who strongly agreed and the mean 3.11 and std. dev. was 1.54. Further analysis revealed that career guidance sessions are available to most employees, this had a supporting mean of 4.17 and std dev. was 1.40 and the percentage response was provided by 65.7%. Respondents were still tasked to show the organization sponsors employees for professional studies. From the analysis, it was found that a total of 57.1% of respondents strongly agreed to the statement and had corresponding mean of 4.17 and std. of 1.27. Further analysis revealed that career development had a major contribution to the level of commitment to the organization. This finding was supported by 68% of respondents who strongly agreed, and had a corresponding mean of 4.17 and std. dev of 1.46. Lastly, a total of 45.7% of respondents confirmed that Career development creates room for growth in the organization. This analysis was supported by mean of 4.05 and std. dev of 1.16.

It was established from the overall mean of 4.00 that career development opportunities was a significant motivating factor that influenced employee performance at National Hospital Insurance Fund, Nairobi. Thus, organizations that invest in training, offer clear growth paths, provide mentorship, and assign meaningful tasks are likely to foster a highly motivated workforce. By doing so, companies can cultivate a positive work environment that enhances overall productivity and employee retention regular practices of career advancement help employees to focus more on their input level. The findings of this study collaborate with a study conducted by Manyasi, Kibas, and Chepkilot (2018) who examined the impact of mentoring programs on the performance of employees within Kenyan Universities, with a particular emphasis on Kenyatta University. Thus, the presence of mentoring relationships played a vital role in the retention of employees, thereby fostering a greater sense of commitment to the organization. Moreover, these relationships facilitated the development of professional networks for the individuals involved.

4.1.9 Retirement Benefits and employee performance at National Hospital Insurance Fund.

The study sought to establish the effect of retirement benefits on employee performance at National Hospital Insurance Fund. The results of the findings were shown on table 4.9 as follows;

Table 4.9 Retirement Benefits

Statement	SA	A	N	D	SD	Mean	Std. Dev.
Administration of the pension schemes as well as how terminal benefits were being settled determined the employee’s satisfaction	(15)42.9%	(12)43.3%	(1)2.9%	(1)2.9%	(6)17.1%	3.82	1.46
The organization provides member education (retirement plan and retirement advise) to members	(24)68.6%	(2)5.7%	(1)2.9%	(3)8.6%	(5)14.3%	4.05	1.55
The organization provides a provident fund for employees to enroll	(10)28.6%	(3)8.6%	(2)5.7%	(7)20.0%	(13)37.1%	2.71	1.70
The organization provides financial management programs meant for preparing employees for retirement	(2)20.0%	(3)40.0%	(1)2.9%	(5)14.3%	(8)22.9%	3.20	1.51
The organization provides gratuity and payment of service on completion of contract period	(23)65.7%	(6)17.1%	(1)2.9%	(1)2.9%	(4)11.4%	4.22	1.35
The provident fund is adequate	(14)40.0%	(13)37.1%	(1)2.9%	(5)14.3%	(2)5.7%	3.91	1.24

Source: Research Data (2022)

According to the findings of the study, administration of the pension schemes as well as how terminal benefits determined the employee’s performance level. This was evidenced by 42.9% of respondents. This was confirmed by a mean of 3.82 and std. dev. of 1.46. The responses further revealed that the organization provides member education (retirement plan and retirement advise) to members, this is according to the study's percentage response totaling to 68.6% which corresponded by a mean of 4.05 and mean of 1.55. From the analysis, respondents were tasked to show whether the organization provides a provident fund for employees to enroll. It was found that majority of respondents that were 37.1% did not agree to the statement and this was affirmed by mean of 2.71 and Std. dev. of 1.70. The analysis provided other findings which revealed that 40% of respondents were in agreement that the organization provides financial management programs meant for preparing employees for retirement. This supported by mean of 3.20 and std. dev. of 1.51. The findings of the study showed that the organization provides gratuity and payment of service on completion of contract period. This was supported by 65.7% who strongly agreed and this had a mean of 4.22 and std. dev. of 1.35. The analysis further revealed that the provident fund is adequate. This was a revelation of 40% of respondents who strongly agreed and had a mean of 3.91 and std. dev. of 1.24.

The analysis as summarized by overall mean of 3.65 was a revelation that retirement as among motivating strategy was found to have a significant influence on employee performance. From the findings, respondents indicated that the organization provides a provident fund for employees to enroll in order to secure their future, an indication that when employees are peaceful, there is likelihood that they will experience job satisfaction. Still, as much as NHIF provides financial management programs meant for preparing employees for retirement, responses indicated that there are those employees who felt they are not very comfortable with the arrangements, possibly, fund could be inadequate, hence, reducing the level of employee satisfaction which ultimately reflects on their level of performance. There was close relationship between these findings and findings provided by Robles (2018) who examined the influence of retirement benefits on employee satisfaction in five-star hotels in Nairobi among with one of the objectives being establishing the influence of retirement benefit on employee satisfaction and found that retirement benefits enhanced employee satisfaction and productivity and they noted that the employees were not only motivated by salaries but also with long term benefits such as pension.

4.1.10 Employee Recognition on employee performance at National Hospital Insurance Fund.

The study sought to assess the effect of employee recognition on employee performance at National Hospital Insurance Fund. The data results were shown on table 4.10 as follows;

Table 4.10 Employee Recognition

Statement	SA	A	N	D	SD	Mean	Std. Dev
The organization gives employees complements as a form of employee recognition.	(27)77.1%	(2)5.7%	(2)5.7%	(1)2.9%	(3)8.6%	4.40	1.26
Employees are involved in receiving achievement awards for job well done	(12)34.3%	(7) 20.0%	(2)5.7%	(5)14.3%	(9)25.7%	3.22	1.66
The organization creates a regular feedback program for their day-to-day activities	(13)37.1%	(15)42.9%	(4)11.4%	(2)5.7%	(1)2.9%	4.05	0.99
Employee recognition acts as a motivator to employees thus improving employee performance.	(19)54.3%	(11)31.4%	(3)8.6%	(1)2.9%	(1)2.9%	4.31	0.96
Employee recognition is a common tool of non-financial reward in the organization.	(10)28.6%	(3) 8.6%	(1)2.9	(8)22.9%	(13)37.1%	2.68	1.71

The employee recognition programs are effective and satisfactory to employees. (18)51.4% (9) 25.7% (3)8.6 (1)2.9% (4)11.4% 4.02 1.33

Source: Research Data (2022)

The study findings provided in the study showed that the organization gives employees additional responsibilities as a form of employee motivation as confirmed by a response of 77.1% of respondents who strongly agreed and had a mean of 4.40 and std. dev. of 1.26. The study further established that employees are involved in receiving achievement awards for job well done as shown by percentage response of 34.3% and corresponding mean of 3.22 and std. of 1.66. The still showed that The organization creates a regular feedback program for their day-to-day activities as a form of motivation which was depicted by percentage response of 42.9% and a mean of 4.05 and std. dev. of 0.99. In the study, it was noted that employee recognition acts as a motivator to employees thus improving employee performance as confirmed by percentage response of 54.3% of respondents who were majority. This had a corresponding mean of 4.31 and std. dev of 0.96. It was further established that employee recognition is a common tool of non-financial motivation in the organization. However, majority of respondents who were 37% did not agree to the statement and this was depicted by mean of 2.68 and std. dev of 1.71. Lastly, respondents were expected to show whether the employee recognition programs are effective and satisfactory to employees. Going by the percentage response shown, a total of 51.4% of respondents agreed and was evidenced by 4.02%.

The findings derived from the study used an overall mean of 3.78 to affirm that employee recognition as one of the motivation approaches had influence on employee performance at National Hospital Insurance Fund. This showed that the management that recognizes the input of employees had chance to realize increased performance level. Recognition can enhance productivity and performance levels. Employees who receive regular recognition are often more motivated to go above and beyond in their roles, seeking to achieve higher levels of excellence. Consequently, this benefits the organization by promoting a culture of continuous improvement and increased productivity. The findings of this study were considered similar to the one conducted by Kanengoni (2019) who conducted a study examining the effects of recognition-based benefits and rewards on employee performance within a specific sample of retail establishments located in Nakuru Town and found that when employees perceive that their contributions and efforts are recognized and appreciated, it leads to an increase in their levels of job satisfaction and performance. This recognition serves as a motivating factor for employees to sustain or enhance their current level of performance.

4.2 Employee Performance in the Public Service

The study sought to establish the state of employee performance at NHIF. The results of the findings were shown on table 4.11 as follows;

Table 4.11 Employee Performance

Statement	SA	A	N	D	SD	mean	Std. dev
The quality of work done is high in the organization	(16)45.7%	(10)28.6%	(1)2.9%	(2)5.7%	(6)17.1%	3.80	1.51
Customers have expressed satisfaction with the efficiency of service delivery	(8)22.9%	(3)8.6%	(4)11.4%	(9)25.7%	(11)31.4%	2.65	1.57
Employees often meet set timelines for the completion of duties	(11)31.4%	(18)51.4%	(1)2.9%	(3)8.6%	(2)5.7%	3.94	1.10
Most employees have surpassed set targets	(4)11.4%	(7)20.0%	(1)2.9%	20)57.1%	(3)8.6%	4.05	1.37
The reputation of the organization is high due to meeting the set deadlines	(1)2.9%	(5)14.3%	26)74.3%	(2)5.7%	(1)2.9%	4.51	1.01

Engaging employees on regular rewards has resulted in surpassing organizations leading to high performance (10)28.6% (2)5.7% (1)2.9% (17)48.6% (5)14.3% 2.85 1.51

Source: Research Data (2022)

The presentation was about analysis on state of employee performance at NHIF. The response revealed that the quality of work done is high in the organization. The percentage response revealed that 45.7% agreed to the statement as depicted by mean of 3.80 and std. dev. of 1.51. From the analysis, the study sought to establish whether customers have expressed satisfaction with the efficiency of service delivery. From the majority of respondents who were 31.4% revealed that they did not agree to the statement as indicated by a mean of 2.65 and std. dev. 1.57. Respondents were tasked to show whether employees often meet set timelines for the completion of duties. From the percentage response, 51.4% were in total agreement and this was indicated by 3.94 and std. dev. 1.10. The study was also aimed at establishing whether most employees have surpassed set targets in the organization. Going by the 57.1 majority of respondents who disagreed, it was an indication employees could be failing in meeting major targets as depicted by 4.05 mean and std. dev. of 1.37. From the analysis, respondents were tasked to show whether the reputation of the organization is high due to meeting the set deadlines. From the responses, it was noted that 74.3% were undecided whether the reputation of the organization is high due to meeting the set deadlines. This corresponded with mean of 4.51 and std. dev. of 1.01. Lastly, respondents were tasked to show whether engaging employees on regular reward as motivational approach had resulted in surpassing organizations leading to high performance. The study found that 28.6% of respondents who strongly agreed affirmed the statement as depicted by mean of 2.85 and std. dev. of 1.51.

The analysis provided had revealed that majority of respondents were in support that the level of motivation had significance influence on employee performance. This was evidenced by an overall mean of 3.63. Thus, increased performance had improved reputation, the quality of work done and even the public had expressed satisfaction. The findings of this study were closely related with a study conducted by Kefay and Kero (2019) who examined the impact of a non-financial reward scheme on the performance of employees in the Commercial Bank of Kenya located in Eldoret Town. The findings revealed that assessing employee performance is highly significant for an incentive program as it addresses the importance of established organizational objectives.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.0 Overview

Chapter five consists of the summary-based conclusion in the study, recommendations and recommendations for further study. The research exercise was based on the effect of motivation on employee performance in the public service, a case of National Hospital Insurance Fund.

5.1 Conclusions

The study provides various discussions drawn from the analyzed data. The findings therefore addressed compensation, career development opportunities, retirement benefits and employee recognition as follows;

5.1.1 Compensation

The study concluded that compensation had influence on employee performance at National Hospital Insurance Fund. This was a revelation that an organization that strives to pay better than others are likely to secure high valued and skilled employees whose valuable input to the organization can have profound effect on the performance of the organization as well. These findings were considered similar to those provided by Kangangi and Kamure (2018) who conducted a study on the effect of performance-based rewards on the performance of businesses that operate retail stores within Meru Town and found that employees react positively to appreciation that is expressed by performance-based incentives for their work since they know that their work is recognized by others, which is an indication that systems for compensation reward are a way to boost more effective organizational performance and behaviour management.

5.1.2 Career Development Opportunities

The study concluded that career development opportunities was a significant motivating factor that influenced employee performance at National Hospital Insurance Fund, Nairobi. Thus, organizations that invest in training, offer clear growth paths, provide mentorship, and assign meaningful tasks are likely to foster a highly motivated workforce. By doing so, companies can cultivate a positive work environment that enhances overall productivity and employee retention regular practices of career advancement help employees to focus more on their input level. The findings of this study collaborate with a study conducted by Manyasi, Kibas, and Chepkilot (2018) who examined the impact of mentoring programs on the performance of employees within Kenyan Universities, with a particular emphasis on Kenyatta University. Thus, the presence of mentoring relationships played a vital role in the retention of employees, thereby fostering a greater sense of commitment to the organization. Moreover, these relationships facilitated the development of professional networks for the individuals involved.

5.1.3 Retirement Benefits on Employee

In conclusion, the retirement benefit is among motivating strategy that have a significant influence on employee performance. The organization provides a provident fund for employees to enroll in order to secure their future, an indication that when employees are peaceful, there is likelihood that they will experience job satisfaction. Still, as much as NHIF provides financial management programs meant for preparing employees for retirement, responses indicated that there are those employees who felt they are not very comfortable with the arrangements, possibly, fund could be inadequate, hence, reducing the level of employee satisfaction which ultimately reflects on their level of performance. There was close relationship between these findings and findings provided by Robles (2018) who examined the influence of retirement benefits on employee satisfaction in five-star hotels in Nairobi among with one of the objectives being establishing the influence of retirement benefit on employee satisfaction and found that retirement benefits enhanced employee satisfaction and productivity and they noted that the employees were not only motivated by salaries but also with long term benefits such as pension.

5.1.4 Employee Recognition

The findings derived from the study affirm that employee recognition is one of the motivation approaches that had influence on employee performance at National Hospital Insurance Fund. This showed that the management that recognizes the input of employees had chance to realize increased performance level. Recognition can enhance productivity and performance levels. Employees who receive regular recognition are often more motivated to go above and beyond in their roles, seeking to achieve higher levels of excellence. Consequently, this benefits the organization by promoting a culture of continuous improvement and increased productivity. The findings of this study were considered similar to the one conducted by Kanengoni (2019) who conducted a study examining the effects of recognition-based benefits and rewards on employee performance within a specific sample of retail establishments located in Nakuru Town and found that when employees perceive that their contributions and efforts are recognized and appreciated, it leads to an increase in their levels of job satisfaction and performance. This recognition serves as a motivating factor for employees to sustain or enhance their current level of performance.

5.2 Recommendation of the Study

In view of the stated research findings of the study, the researchers made the following recommendations.

5.2.1 Compensation

The study showed that compensation had influence on employee performance. This implied that the management of National Hospital Insurance Fund concerned should exercise fair performance-based compensation. The management should consider regularly rewarding well, the employees who provide significant input to wellness of the organization especially those that promotes increased level of performance. By properly rewarding employees and practicing prompt payment of wages and salaries, employees would most likely feel motivated to perform even much better when they do not experience any challenges with the mode of compensation instituted by the organization.

5.2.2 Career Development Opportunities

The study recommends that the management of National Hospital Insurance Fund should give priority focus on available career mentoring programs within the organization. The management should help employees to identify informed mentors who can play a significant role to the junior employees aspiring to have a phenomenon growth in their career development. This can be achieved by ensuring that the career development practices are incorporated by putting considerable professional programs singled out to have great value and same time expected to give employees the opportunity to advance further in various diverse professional field with aim of uplifting skills needed to conquer new motivating job opportunities.

5.2.3 Retirement Benefit

The study recommends that the management of National Hospital Insurance Fund should ensure that all the available retirements programs are regularly communicated to the employees. The management should consider carrying out regular reviews about terminal benefit for employees in line with market rates and job scales, this is because, absence of such benefit may result to employee job dissatisfaction. The management should also not relent on the effort of addressing provident fund for employees. Regular upward review will most likely elicit happiness and satisfaction among employees who will eventually experience improved level of performance.

5.2.4 Employee Recognition

The study recommends that the management of National Hospital Insurance Fund should embracing recognition as a motivating approach incentive. Since it does not involve use of financial resources, the management should build the culture of recognizing positive contribution that employees bring forth for the benefit of the organization. By recognizing such contribution, it will motivate employees to continue pursuing new discoveries aimed at uplifting their organization and this will enable the employees to realize increased level of performance.

5.3 Suggestion for Further Research

The study recommends that other researchers may consider pursuing this study by focusing on other insurance firms that are not necessarily government ones and establish whether the motivation has similar influence on performance in the same organization and provide recommendations appropriately as per the needs of the specific organization or organizations.

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