ROLE OF REMUNERATION PRACTICES ON THE RETENTION OF EMPLOYEES IN PUBLIC HEALTH INSTITUTIONS IN MACHAKOS COUNTY, KENYA

Jacinta Munyiva Kinyili, Doctor, Department of Business Administration in the School of Business and Economics, Machakos University, Kenya

Abstract: *Health workers are vitally important for the effective functioning of healthcare systems. The aim of this study was to explore the role of remuneration practices on the retention of health care staff in public health care institutions in Machakos county in Kenya. The study adopted a mixed research design and targeted all the 772 health care staff in the 156 public health facilities in the eight sub-counties in the county which consists of one level five hospital, four level four hospitals while the rest are health centers and dispensaries. The population was stratified into 8 main strata consisting of doctors, dentists, clinical officers, nurses, physiotherapists, pharmacists, laboratory technicians and radiographers. Stratified random and purposive sampling was used to select a total of 263 respondents from the various strata identified. Simple random sampling was used to select the medical doctors, clinical officers, nurses and laboratory technicians while convenience and purposive sampling, nonprobability methods were used to identify the dentists, pharmacists radiographers, physiotherapists and orthopedic technologists. Interviews were used to collect data from the officers in charge of sub county facilities and the four hospitals while self-administered questionnaires were used on the rest of the respondents. The finding was that there was weak but statistically significant positive relationship between remuneration practices and retention of health care staff in public health care institutions in Machakos county in Kenya..*

Keywords: *Retention, remuneration, health care institutions, Machakos county, Kenya*

1. INTRODUCTION

Employee retention is a concern for many organizations. It is costly to replace personnel, and often the individuals who leave take proprietary knowledge that is impossible to replace. A ripple effect often occurs as well. When employees depart, they impact morale, spur rumors, and often open the door for others to leave the organization. High employee turnover can have a devastating effect on a company especially if the lost employees are high performers. According to the Saratoga Institute, which specializes in quantitative human resources measurement systems, the average company loses about $1 million with every 10 professional employees who leave (Garger,1999). Experienced hires are particularly costly. These individuals have several years of experience practicing their trade for other companies. Their knowledge, insights and industry experience can often lend employers a competitive advantage. Because these individuals are so prized, they receive ongoing job offers, and they are often difficult to assimilate and retain. (Mattox., J., R. Jinkerson . D., L. (2005).

The strength of any nation depends to a large extend on its productivity which in turn depends on the well-being of the population (Misau , Al-Sadat & Gerei, 2010). Mischa et al (2008) observed that a key constraint to achieving the MDGs is the absence of a properly trained and motivated workforce. Health workers are vitally important for the effective functioning of healthcare systems (Ndetei, Khasakhala & Omolo, 2008). Health care is one of the sectors highly affected by turnover. An inadequate health workforce (with a high population-to-health worker ratio) contributes to the general deterioration of health indicators (Dolvo 1999; Dolvo, 2002; Dolvo, 2003). Loss of clinical staff from low and middle-income countries is crippling already fragile health care systems. Health worker retention is critical for health system performance and a key problem is how best to motivate and retain these health workers (Mischa, Bidwell, Thomas, Wyness, Blaauw, & Ditlopo,2008)

According to Universal Health 2030, (2017), the Kenya Health Workforce Report whose data was gathered from more than 10 regulatory bodies between 2006 and 2015 and prepared by the Ministry of Health and America's Emory University, revealed that in 2015, there were only 5,660 medical doctors Kenya and only 2,089 were specialist doctors. Of these, 387 were specialising in gynaecology, 338 were experts in general surgery while internal medicine experts were 296.

The document lays bare Kenya’s ill-preparedness in tackling non-communicable diseases in terms of human resource capacity. For instance, cancer killed about 15,714 people in 2015, according to the Ministry of Health, yet there are only nine experts in radiotherapy/oncology and 128 in radiology. There are only 71 psychiatrists in Kenya yet the latest global report on mental health by the World Health Organization (WHO) showed that about 4.4 per cent of Kenyans – over 2 million people – have a mental problem of some sort . For all the cases of diabetes, there is only one diabetologist. For the newborns, there were only 295 paediatricians and for the deaths, there were only 78 pathologists. Of the 10,562 active clinical officers by December 2015, 1,016 (9.6 per cent) had some type of special training with majority (292) in anaesthesia followed by paediatrics (255), otolaryngologists (ear, nose and throat specialists) 118, and lung and skin (110).

The report further calculated that the total population was 47,681,799 people in January 2016, and that on a given day there are 4,373 live births and 1,164 deaths. Therefore, Kenya's population grows by more than 3,200 every day but that does not match the rate at which new doctors are added to the market annually.

This report also brought to fore the inequalities in the distribution of other health care workers in rich and poorer counties with Nairobi holding more than 50 per cent of health workers. In terms of doctor patent ratio, Mandera, Wajir, Tana River, Nandi, Samburu, Narok, Turkana and Busia had less than one caregiver per 10,000.When the specialist and general practitioner doctors are combined, the national ratio for doctors is 1.5 medics per 10,000 people while that of dentists is 0.2 dentists per 10,000.Nairobi is still ahead of the pack with 9.5 doctors and 1.1 dentists per 10,000, followed by Mombasa (2.8), Uasin Gishu (2.1), Kisumu (1.6), Nyeri (1.3), Kiambu (1.1), and Isiolo (1.1). All the other 40 counties have a ratio of less than 1 medic per 10,000. the national ratio of clinicians is 2.7 per 10,000 but five counties had a high ratio of clinical officers aged below 60 years, namely, Nyeri (7.3), Kisii (6.9), Baringo (6.7), Elgeyo Marakwet (5.2), and Busia (4.4). The nurses' national ratio per 10,000 is 8.3 but Nairobi had more standing at 9.7 nurses per 10,000 people as Uasin Gishu(8.5), Tharaka-Nithi (7.9), Isiolo (5.2), and Taita-Taveta (5) fared well.

On average, the cost of training a doctor in Kenya, from primary to university, is about Sh5.7 million while the financial cost of losing a single nurse has been calculated to equal about twice the nurse's annual salary (Atencio, Cohen, Gorenberg, 2007,). The average hospital is estimated to lose highly (Kirigia et al,2006), about $300,000 per year for each percentage increase in annual nurse turnover while on average for every doctor that emigrates, a country loses about US$ 517,931 (Price Waterhouse Coopers ,2007).

Despite these alarming statistics on the cost of training and the status of health care professionals, Kenya is among the top six countries in Africa for doctors migrating to greener pastures. According to statistics from Internews Agency, the number of Kenyan born doctors that work abroad is twice the number working in national referral hospitals and for the Ministry of Health. Indeed, Dr Victor Ng'ani, the chair of KMPDU, says 80 per cent of doctors leave the public sector by the third year of their career to go abroad or join private practice. The Kenya Medical Practitioners and Dentists Board (KMPDB) has registered around 9,000 medical doctors and 1,000 dentists over the past 32 years, but only 75 per cent of these are currently considered "active", having renewed their medical licences within the past five years, and 11 per cent of the active medical doctors are 61 years of age or older, while an additional 17 per cent are 51-60 years old.

The exit comes after a decade of dwindling health budgets, despite the fact that Kenya was a signatory to the Abuja Declaration of 2001 committing countries to spending 15 per cent of their national government budget on health. The shortages are not just of doctors: Kenya has just 1.03 health workers (doctors, nurses, midwives, and clinical officers) per 1,000 population compared with the WHO recommendation of 2.30 per 1,000 population.

The introduction has shown that despite the enormous public finances spend in training of healthcare workers in Kenya and the prevalence of diseases, emigration of these workers continues to increase. These revelations prompted the researcher to empirically investigate the role of remuneration, a human resource management practice on the retention of healthcare professionals in public healthcare institutions in Machakos County.

2.0 RESEARCH OBJECTIVE AND HYPOTHESIS

2.1 Research objective

The objective of the study was:

To explore the role of remuneration practices on the retention of staff in public health institutions in Machakos County, Kenya.

2.2 Hypothesis

The study helped to test the following hypothesis

H_{01}: There is no significant relationship between employee remuneration practices and retention of health care staff in Machakos County, Kenya.

H_1: there is a significant relationship between employee remuneration practices and the retention of health care staff in Machakos County, Kenya

3.0 THEORY AND LITERATURE ON EMPLOYEE RETENTION

3.1 Stacey Adam's Equity Theory

The motivation of employees to stay in organization due to remuneration can best be explained by the equity theory.

According to Gupta, (2011), Stacey Adam's Equity theory is based on the premise that people want to be treated fairly at work. It presumes that employees do not work in a vacuum and asserts that employees weigh what they put into a job situation (input) against what they get out of it (outcome) and then compare their input-outcome ratio with the input-outcome ratio of relevant others with whom they compare themselves. If ratios are equal, a state of equity is said to exist; they feel their situation is fair and that justice prevails. If the ratio is unequal, inequity exists. That is, employees tend to view themselves as under rewarded and will therefore attempt to correct the inequity. Thus the theory asserts that employees level of motivation is dependent on the perception of whether they are being fairly treated for tasks related efforts and when compared with others employees. According to the theory an individual's motivation level is correlated to his or her perception of equity, fairness and justice as practiced by the management. Robbins and Decenzo (2012) and Gupta (2011) assert that equity exists if the employee's input-output ratio is comparable to that of other peers in the professional network. However, if their ratios are lower than others inequity is perceived, the employees become dissatisfied and would be motivated to seek ways to attain equity. The employee might perceive the existing work environment and culture as hopeless and might choose to quite the current job in pursuit of a better and more equitable work environment.

The theory thus guides in understanding what may influence an employee to leave or stay in that they keep comparing what employees earn for their contribution and what other employees earn in other comparable organization in order to realize a balanced state of the of the input-outcome ratios. This in turn contributes to labour mobility inside and outside the organization.

3.2 Remuneration Practices and Retention.

Remuneration is clearly central to employment relationships. How much we are paid and in what form is an issue that matters hugely to us (Byars&Rue, 2008, Torrington, Hall, Taylor and Atkinson, 2011). For commercial organizations, it is a major determinant of both profitability and competitive advantage. The aim of reward management is to design competitive reward packages which serve to attract, retain and motivate staff, while at the same time keeping a lid on the costs so as to ensure the organization's commercial and financial viability,(Torrington, Hall, Taylor & Atkinson, 2011; Byars&Rue, 2008).

Armstrong and Brown (2009) in their model adapted from work by Towers Perrin reward consultancy identify four categories of rewards each of which has equal potential significance as a source of reward from the employee perspective. The categories are, individual such as base pay, contingent pay, bonuses, incentives, shares and profit sharing often referred to as compensation. Transactional rewards include pensions, holidays, healthcare, other perks and flexibility. Relational rewards include career development while communal rewards comprise leadership, organizational values, voice, and recognition, and achievement among others, (Torrington, Hall, Taylor and Atkinson, 2011).

Both monetary and non-monetary rewards and incentives can enhance employees' motivation and attachment to the organization (Bergiel, Nguyen, Clenney & Taylor 2009; Döckel 2003). Mello (2009) concurs when he asserts that compensation, a key strategic area for organizations impacts an employer's ability to attract applicants, retain employees, and ensure optimal levels of performance from the employees in meeting the organizations strategic objectives.

Attractive remuneration packages are one of the very important factors of retention because it fulfills the financial and material desires (Shoab *et al,* 2009). Tettey (2006) concurs with this when he states that dissatisfaction with salaries is one of the key factors undermining the commitment of employees to their institutions and careers, and consequently their decision to stay or intent to leave. Also as noted by Nawab & Bhatti (2011), compensation plays significant role in attracting and retaining good employees specially those employees whose give outstanding performance or unique skill which is indispensable to the organization because company invest more amounts on their training and orientation. (Bergiel *et al.,* 2009) notes that research findings suggest that there is a significant and positive relationship between compensation and job embededness. Accordingly, it seems that the higher the compensation, the greater the losses employees would feel if they leave the organization (Holtom & O'Neill. 2004). Some researchers argue that on the company side competitive compensation package is the only strong commitment and also build strong commitment on the workers side.

According to Lawler (1990) companies adopt the strategy of low wages if the work is simple and requires little training and companies competing in high labor markets adopt the high wages strategy. However, the contribution of compensation towards retention, help in retention of employee irrespective of their skill and contribution to the company and it likely affect both turnovers desirable and undesirable. The total amount of compensation offered by other companies also affects the turnover. Organization offering high compensation package have large numbers of candidates applying for induction and have lower turnover rate when compared to others. Moreover high compensation package organizations also create culture of excellence (Lawler 1990).

Gupta (2008) asserts that one of the objectives of paying at competitive levels is to enable the organization to retain it personnel by minimizing the incidences of quitting and increasing employees loyalty. Indeed Ihsan and Naeem (2009) in a study indicated that Pharmaceutical sales force rated pay and fringe benefits as the most important retention factor. In addition, it indicated that pay and fringe benefits is highly valued by the sales force of all demographic backgrounds. The possible explanation could be that pay and fringe benefits enable salespersons to fulfill their physiological as well as esteem needs. Thus, for companies that have objective to retain their valuable employee, pay is considered as important factor for it (Brannick & Joan, 1999). Compensation is considered the most important factor for attracting and retaining the talent (Willis, 2000).

Fair wages are the foundation elements of the implied and contractual bond between employers and employees, the underlying supposition being that monetary reward can persuade behavior (Parker & Wright, 2001). Organization often offer high pay packages i.e. stock options, special pay, retention pay, gain share pay, performance base pay and bonus etc. for attraction and retention of talented employees of the market. Williams and Dreher (1992) note that wage is the key factor influence in the employee attraction and retention, and play important role in the recruitment process. The report therefore says a critical review of the current incentive schemes is required to make them more effective to cater to needs of the sales in both multinational and local pharmaceutical companies to retain their talent workers says the report.

Armstrong (2009) also notes that terms and conditions of service play an important role but other factors are often important. He notes that problems arise because of uncompetitive, inequitable and unfair pay systems. This calls for companies to undertake regular market surveys to ensure that the salaries and benefits that they pay are competitive and comparable with the labor market. Good and competitive pay structure is likely to encourage employees to stay for a longer period. Thus, organization should provide competitive remuneration packages to their employees as a deliberate employee retention strategy.

Other than the rewards themselves the reward practices adopted influence retention. Mello (2009) observes that in designing a reward or compensation strategy or system, an organization needs to be concerned with the perceived equity or fairness of the system for the employees. He asserts that the design of an equitable compensation system must incorporate three types of equity; internal, external and individual. Internal equity involves the perceived fairness of pay differential among different jobs within an organization (Mello, 2009; Byars &Rue, 2008). Employees should feel that the pay differential between jobs is fair, given the corresponding responsibilities. External equity involves employee's perception of the fairness of their compensation relative to those outside the organization (Mello 2009; Armstrong, 2009). Obviously, employees would not be thrilled to discover that those who do similar work in other organizations receive higher compensation. Individual equity considers employees perception of pay differential among individuals who hold identical jobs in the same organization. (Byars & Rue, 2008; Sababu, 2010).

Historically, the pay systems of most organizations have been based on jobs and job evaluation technology. This approach however made sense in a world where individuals had stable duties and the market value of individuals was largely determined by the way in which their jobs were designed and managed. However in a world in which individuals do not have traditional jobs and are often able to add considerable value due to their high level of knowledge and skill, it would be very dangerous and misleading to pay them according to job worth. Other competitive reward practices would therefore suffice. These practices would include paying the individual for their worth, rewarding excellence and individualizing the pay system (Mello, 2009).

One of the reward practices that an organization can use is the use of base wages and salaries which consists of the hourly, weekly or monthly pay that employees receive in exchange for their work (Byars & Rue, 2008; Sababu, 2010). The basic objective of any base wage and salary system is to establish a structure for equitable compensation of employees depending on their jobs and their level of performance in their jobs (Byars & Rue, 2008)

Skill-based pay also known as knowledge based pay is another pay strategy that an organization can adopt (Ingram, 1990 ; Murray & Gerhart, 1990). This strategy is used in an effort to develop more versatile employees that are often required in today's organizations where jobs can be rapidly changing. It compensates employees for skills they bring to the job. Specifically the strategy pays employees for their range of knowledge, the number of business-related skills mastered, the level of those skills or knowledge, or some combination of level and range. In a conventional job based pay, employees must wait for a job opening before they can be promoted. However under skill based pay system, employees are eligible for a pay increase when they have learned a new skill and demonstrated they can progress another step. The advantages of this reward strategy according to Ingram (1990) and Murray and Gerhart, (1990) as cited by Byars and Rue (2008) is that it fits workforce values, increases staffing flexibility, builds leaner staffing requirements, encourages flatter organizational structure, inspires higher quality and quantity production levels and broadens incentives to increase knowledge and skills. Additionally, they reinforce group participation, deepens commitment when promotions are unavailable, decreases overall labour costs, improves understanding of operations, leads to greater productivity, favorable quality outcomes and scrap reduction (Byars & Rue ,2008).

An organization can also adopt competency-based pay strategy (Byars & Rue, 2008). A competency is a trait or characteristic that is required by a job holder to perform that job well (Gerald & Ledford, 1995). The strategy is intuitively compelling in that it makes sense to put into account those traits that the organization values. An organization can also use the market based pay system (Byars & Rue, 2008; Kimberly, 2006) in which the employees are paid by the market rates. This entails carrying out at least three surveys to ensure proper representativeness of the jobs being priced (Grigson, Delaney & Jones, 2004).Other than pay systems the organization can make use of incentive as rewards, whether at individual, group or organizational level (Byars & Rue, 2008). Individual incentive plans include differential piece rate plan, plans based on time saved, plans based on commissions, individual bonuses, suggestion systems, incentive for managerial staff and employee options (Jarboe,2004; Schwanhausser,2004) for non-managerial personnel(sababu,2010; Byars & Rue ,2008,). Group incentives include gain sharing, profit sharing and revenue sharing (Mello, 2009).

4.0 METHODOLOGY

Mixed research design was employed and questionnaires and interviews were used to collect primary data. The target population was all technical staff in all the public health care institutions in the county and the respondents were doctors, dentists, clinical officers, physiotherapists, nurses, pharmacists, radiographers and laboratory technicians who were selected through purposive sampling and stratified random sampling. 251 questionnaires were distributed out of which 227 were duly filled and returned giving a response rate of about 90%. 12 interviews were also conducted. Data was analyzed with the help of the SPSS programme.

5.0 FINDINGS

5.1 Research Hypotheses

In order to achieve the objective designed for this study, the null hypothesis, there is no significant relationship between employee remuneration practices and retention of health care staff in Machakos County Kenya was formulated and tested . The statistical test results (ANOVA, regression and correlation analyses) of hypothesis at 95% confidence level are as follows.

Table 1: ANOVA Results on Role of Remuneration Practices on Retention of Health Care Staff

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	387.383	1	387.383	9.847	.002[b]
1	Residual	8851.692	225	39.341		
	Total	9239.075	226			

a. Dependent Variable: Retention
b. Predictors: (Constant), Reward

Since P(0.002) is less than alpha (.05), we reject the null hypothesis and adopt the alternative hence conclude that with the data obtained, there is evidence of significant relationship between remuneration practices and the retention of health care staff in Kenya (F (9.847, df=1, and P<0.05). Thus remuneration practices play a significant role in the retention of health care staff in public health care institutions in Kenya.

This finding is consistent with the study by Bergiel et al. (2009) who noted that research findings suggest that there is a significant and positive relationship between compensation and job embededness. Additionally Ihsan and Naeem (2009), indicated that Pharmaceutical sales force rated pay and fringe benefits as the most important retention factor which is supported by the findings of past studies. They further it indicates that pay and fringe benefits is highly valued by the sales force of all demographic backgrounds. Shoab et al, (2009) also noted that attractive remuneration packages are one of the very important factors of retention because it fulfills the financial and material desires Tettey (2006) concurs with this when he states that dissatisfaction with salaries is one of the key factors undermining the commitment of employees to their institutions and careers, and consequently their decision to stay or intent to leave.

A correlation analysis show a significant relationship between retention and remuneration practices (r=0.166, α =0.05). To test whether the relationship between retention and remuneration practices is linear, a regression analysis was run whose results are as shown in table 2 below.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.205[a]	.042	.038	6.272

a. Predictors: (Constant), Reward

The Karl Pearson product moment of coefficient of correlation r=0.205 is low and suggests a weak relationship. The r squared=0.042 indicates that only 4.2% of the change in retention can be explained by a unit change in the remuneration practices.

As shown in table 3 below, the beta β=0.194 value is however significantly higher than 0 hence the linear relationship holds with a model R= 58.164+0.194Rw

Table 3: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	58.164	3.347		17.377	.000
	Reward	.194	.062	.205	3.138	.002

a. Dependent Variable: Retention

These findings indicate that although the relationship is weak, the remuneration practices cannot be ignored and should be improved to have a greater role in the retention of staff in the public health institutions.

5.2 Analysis Based on Research Objective

The research objective was to analyze the role of remuneration practices on the retention of staff in public health care institutions in Machakos County; Kenya. To meet this objective, four research questions were formulated. The first question sought to find out if in the respondents' opinion, remuneration practices affected staff retention. The respondents were required to tick against Yes if they thought it affected or against No if they thought it never affected staff retention. Almost all (88.8%) of the respondents in each category said remuneration practices affected staff retention.

The second question sought to get the respondents' views about remuneration practices in their institutions. The respondents were requested to react to various statements on this issue remuneration by ticking whichever was applicable at their workplace on a five point scale of Strongly Agree (SA), Agree (A), Undecided (UN), Disagree (DA) and strongly disagree (SDA). The responses obtained were quantified using frequencies and percentages and tabulated as follows:-

Table 4: Role of Remuneration Practices on Retention of Health Care Staff

	Reponse											
Statement	SA		A		UD	DA		SDA			TOTAL	
	F	%	F	%	F	%	F	%	F	%	TOT.	%
Salaries and benefit provided are adequate	0	0	0	0	13	6	118	52	96	42	227	100
There are periodic salary review	0	0	0	0	14	6	113	50	99	44	226	100
salaries and benefits are paid promptly	31	14	36	16	0	0	86	38	74	33	227	100
provision of incentives results into retention	44	20	56	25	9	4	53	24	63	28	225	100
Retention is enhanced due to competitive, fair and equitable pay system provided	0	0	0	0	27	12	109	49	88	39	224	100
Salaries and benefit policy is fairly and equitably administered	23	10	30	13	25	11.2	79	35	67	30	224	100
Retention is enhanced due to employee benefits such as car loans	0	0	0	0	0	0	56	25	170	75	226	100
Retention is enhanced due to adoption of competency based pay strategy	23	10	28	13	41	18	63	28	68	31	223	100
Retention is enhanced due to implementation of performance related pay strategy	18	8	41	18	0	0	68	31	96	43	223	100
Retention is enhanced due to employees being rewarded fairly for their performance	25	11	27	12	6	3	83	37	84	37	225	100
Retention is enhanced because employees are rewarded for their excellence	22	10	25	11	0	0	67	30	110	49	224	100
Retention is enhanced due to provision of	0	0	0	0	0	0	94	42	130	58	224	100

group incentives such as profit sharing												
Retention is enhanced due to implementation of skill based pay system	18	8	38	17	25	11	64	29	78	35	223	100

The table shows that all (100%) the respondents either strongly disagreed or disagreed that retention was enhanced due to provision of benefits such as car allowances and due provision of group incentives such as profit sharing. 214 (94%) felt that the salaries and benefits provided were inadequate while another 212 (94%) either disagreed or strongly disagreed that there were periodic salary reviews. 197 (88%) and 177 (79%) either disagreed or strongly disagreed that retention was enhanced due to competitive, fair and equitable pay systems provided and because of employees being paid for their excellence respectively. Of those who responded, 165(74%) and another 166 (74%) also either strongly disagreed or disagreed that retention was enhanced due to implementation of performance related pay strategy or due to employees being rewarded for their performance. 160(71%), 146(65.5%) and 145(65%) either strongly disagreed or disagreed that salaries and benefits were paid promptly, salary and benefits policy was fair and equitably administered and that retention was enhanced due to implementation of competency based pay strategy.

The above responses from the respondents indicate that despite the high value attached to rewards, the salaries and allowances provided were inadequate, were not reviewed regularly, they were not paid promptly and that the salary and benefits policy was unfair and not administered equitably. Additionally the salaries and benefits systems and policies were unfair and unequitable while benefits such as car loans, profit sharing were not provided. Excellence/ competence and performance was not recognized and rewarded.

In general out of the 227 respondents 90% either disagreed or strongly disagreed with the remuneration practices, 9% were undecided while only 1% agreed with the practices. The mean response was 4.12 with a standard deviation of 0.592. The total score on the responses was thus 53.56 which is significantly higher than half of 65 (the expected maximum score). The reward index obtained by dividing the total score by the maximum possible score is 0.824 which is significantly higher than 0.5. All these values shows a high level of dissatisfaction with the remuneration practices. The summary of responses on the reward practices can be represented on a pie chart/ bar graph as follows.

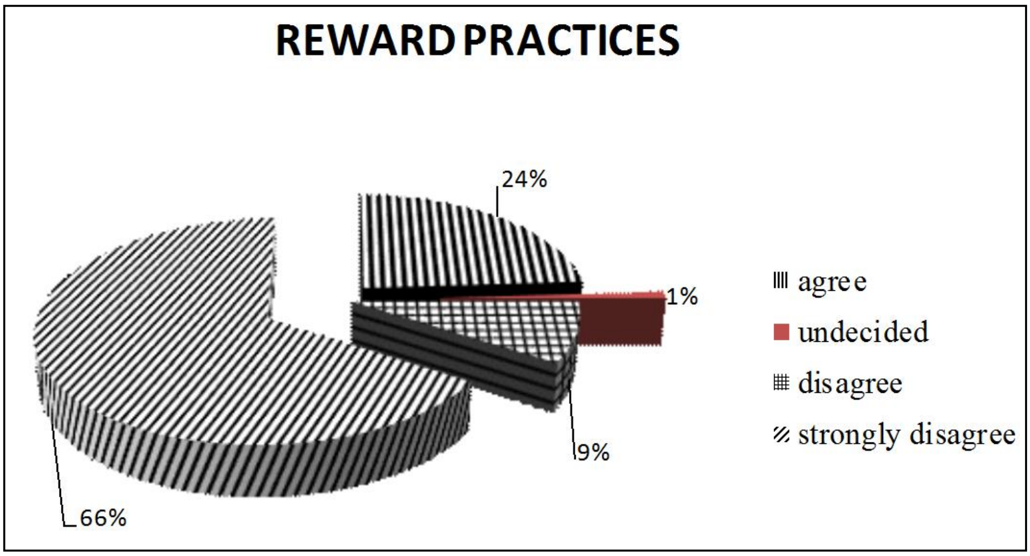

Figure 1: Level of Agreement with reward practices

In a related third research question the researcher sought to find out what other reward management aspects in the respondents' opinion affected employees in their organizations. A majority of the respondents said that salary delays, non-remittance of various dues such as loan deductions, insurance premiums, and statutory deductions among others all of which were usually deducted from their salaries negatively affected staff morale and commitment hence intent to stay. Others cited provision of payment for overtime, salary increment, rewarding the best performers, recognition of the best workers in various departments either through awarding of trophies, word of mouth or just giving a small token. Others said that said that giving special allowances such as night duty allowance (a form of premia pay), travelling and commuter allowances, leave allowance are other reward management practices that affected employee retentionin the health care facilities. However they indicated that these were not provided for in their institutions and this greatly negatively affected the employees' levels of attachment and commitment to the healthcare institutions in the county.

In the last question the researcher sought to get the respondents opinions on the remunerations practices that they thought need to be put in place in the organization to help enhance retention . Among the responses were that there should be timely payment of salaries and remittance of any dues deducted to the relevant institutions, payment of adequate and competitive salaries (salary increments), employees be rewarded for excellence and that performance related pay policy be introduced. Others felt that there should be rewards for excellence, the terms of service should be improved and allowances such as risk allowances, house allowance, commuter allowance and leave should be increased. Additionally others felt that mortgage loans and car loans should be provided , entertainment allowances be given, staff be paid for overtime work, night call/duty allowances and responsibility allowances be introduced and that staff efforts be recognized through periodic rewards especially at the end of the year by being given gift or shopping vouchers. There was also a suggestion that salaries and allowances in the public service be harmonized including harmonizing with those county employed officers of equivalent qualification and experience. Staff employed on contract should also give be put on permanent terms while those in hardship areas be given hardship allowance for these would increase financial and job security hence commitment to the organizations.

6.0 SUMMARY OF RESEARCH FINDINGS AND RECOMMENDATIONS

6.1 Summary of Findings

From the results there were weak but statistically significant positive relationships between remuneration practices and retention ($r=0.166$, $p<0.05$). The major findings in relation to this variable were as follows.

It is evident from the results that there was a weak but statistically significant positive relationships between remuneration practices and retention of health care staff in Machakos County (F (9.847, df=1, and $p<0.05$). Thus remuneration practices play a critical role in employee retention. The findings also reveal that the reward practices in place had little though positive impact on the retention of staff in public health care institutions in the county as indicated by the low value of adjusted r squared of 0.038 meaning that only 3.8% of the change in retention can be explained by a unit change in the remuneration practices.

Majority of the respondents felt that remuneration practices affect staff motivation hence retention in organizations. This is consistent with the findings of (Bergiel et al. 2009) who noted that research findings suggest that there is a significant and positive relationship between compensation and job embededness.

However, despite the high value attached to remuneration practices, most of the respondents were dissatisfied with the remuneration practices in place. Indeed majority said that benefits such as car allowances and group incentives were not provided while the salaries and benefits provided were inadequate and there weren't periodic salary reviews. A great number also felt that the salary systems were uncompetitive, unfair and inequitable and that staff were not paid for their excellence. Additionally, performance related pay and competency based strategies were not embraced neither were salaries and benefits paid promptly. These sentiments were confirmed by recent strikes by nurses from various counties including nurses from Machakos, Meru, Mombasa, Bugoma , Embu and the longest-ever hundred days medical doctors strike over pay and other working conditions.

6.2 Recommendations

Based on the findings, the following recommendations were made which the county government of Machakos, other county governments and even the national government should put in place to address these issues if Kenya is to achieve its vision 2030 plans on the health sector.

To enhance staff commitment hence retention through remuneration practices, the county government should ensure timely payment of salaries and remittance of any dues deducted to the relevant institutions to avoid penalties and enable staff get their benefits accordingly. The salaries and benefit should be increased and made competitive to minimize turnover to private sector. The government should also adopt performance related pay policy and competency based pay policy in order to motivate the hard working staff and also those who advance their qualification. Given that these staff at times work under extremely difficult and risk conditions and sometimes at odd times and for long hours in a day, risk allowances should be improved, overtime pay and night call/duty allowances be introduced and staff efforts be recognized through periodic rewards especially at the end of the year by being given gift or shopping vouchers. Lack of equity in the remunerations of county staff was expressed as one of the dissatisfiers among the staff. The salaries and allowances of staff in public service should be harmonized with those of county employed officers of equivalent qualification and experience who most of the health staff felt had been engaged and placed on higher job grades. Staff employed on contract should also be put on permanent terms while those in hardship areas are given hardship allowance for these would increase financial and job security hence commitment to the organizations.

REFERENCES

1. Armstrong M.A. (2009). *A Handbook of Human Resource Management Practice.* 11th Edition, Melbourne: Kogan Page Limited

2. Armstrong, M. and Brown, D. (2009). *Strategic Reward: Implementing More Effective Reward Management*. Melbourne: Kogan Page Limited.

3. Atencio, B., Cohen, J.and Gorenberg, B. (2007). Nurse Retention: Is it Worth It? *Journal of Nursing Economics, 21(4), 254-265.*

4. Bergiel, B.E., Nguyen, V.Q., Clenney, B.F. and Taylor, G.S. (2009). Human Resource Practices, Job Embeddedness and Intention to Quit. *Journal of Management Research News, 32(3), 205–21*

5. Brannick, J. (1999). *Employees; Job satisfaction; Labor turnover; Recruiting*; New York: Amacom Publishers.

6. Byars, L.L. and Rue L.W. (2008). *Human Resource Management.* 9th Edition, NewYork: McGraw Hill Inc.

7. Dockel, A. (2003). *The Effect of Retention Factors on Organizational Commitment: An Investigation of High Technology Employees.* Master of Human Resource Thesis. University of Pretoria.

8. Dovlo, D. (1999). *Issues affecting the Morbidity and Retention of Health Workers/professionals in Commonwealth African States.”* Report prepared for the Commonwealth Secretariat, London. Unpublished.

9. Dolvo,D. (2002). *Retention and deployment of health workers and professionals in Africa*:Technical Paper: consultative Meeting on Collaboration Between health professions and government in policy formulation and implementation of Health Sector Reforms. Addis Ababa, Ethiopia, January 28-February1 2002.

10. Dovlo,D. (2003). *Strengthening human resources capacity for effective health systems in Africa*.” Paper presented at Consultative workshop in HRH in East Central and southern Africa, 21-25 July 2003, Arusha.

11. Dovlo,D.(2003). *The brain drain and retention of health professionals in Africa, Case study for regional training conference: 'Improving tertiary education in sub Saharan Africa: Things that work'*. Accra, 23 -25 September. World Bank: Switzerland

12. Garg, P. & Rastongi, R. (2006), new model of job design motivation Employees Performance ,*Journal of Management Development*.

13. Gerald, E. & Ledford, Jr (1995). “Paying for the Skills, Knowledge and Competence of Knowledge Work”. *Compensation and Benefits Review*, July-August , pp 55-58

14. Grigson, D, Delaney & Jones, R (2004). "Market pricing 101: The Science and the Art," *Workspan*,. 46-52.
15. Gupta,C.B .(2008).*Human Resource Management.* New Delhi: Sultan Chand &Sons Educational Publishers.
16. Gupta, S. (2008). Human *Resource Development; Concepts and Practices*: Deep and Deep Publications.
17. Holtom, B.C. & O'Neill, B.S. (2004). 'Job embeddedness: A theoretical foundation for developing a comprehensive nurse retention plan', *Journal of Nursing Administration*, 34(5), 216–227.
18. Ihsan M and Naeem, B, (2009). *Research methods in the social Sciences,* (4^{th} Ed), London, Melbourne Auckland: St. Martin Press, Inc
19. Ingram, E.(1990, April). "The Advantages of Knowledge- Based Pay", *Personel Journal,* 138
20. Jarboe, K.J. (2004). "Future Hazy for Stock Options", *Daily Record*, p. 1.
21. Kimberly,M (2006, March) "A Fairness approach to Market- Based Pay",*Workspan,* , 48-50.
22. Kirigia, J.M., Gbary, A.R., Muthuri, L.K, Nyoni J & Seddoh,A.(2006).The cost of Health professionals' brain drain in Kenya. *BMC Health Survey* ,6, 89.
23. Lawler, E. (1990). *Compensation Management; Strategic Planning; Pay For-knowledge Systems*, San Francisco; Jossey-Bass Publishers
24. Mattox., J., R. Jinkerson . D., L. (2005). Using survival analysis to demonstrate the effects of training on employee retention in *Evaluation and Program Planning* Vol (28) 423–430
25. Mello, A.J.(2009). *Strategic Human Resource Management*; Amazon Publishers.
26. Misau, Y. A., Al-Sadat, N.& Gerei, A. B. *(2010).* Brain-drain and health care delivery indeveloping countries. *Journal of Public Health in Africa 2010*.
27. Mischa, W. Bidwell, P. Thomas, S. Wyness, L. Blaauw, D. and Ditlopo, P(2008). Motivation and retention of health workers in developing countries: a systematic Review. *PM C Jounal*. BMC Health Services Research.
28. Murray M.& Gerhart.T.(1990). "An Empirical Analysis of Skill-Based Pay Program and Plant Performance", *Academy of Management Journal*, 68-78.

29. Nawab. S & Bhatti. K.K.(2011). Influence of Employee Compensation on Organizational Commitment and Job. *Journal of Business and Social science, 2* (8).
30. Ndetei.D.M, Khasakhala .L. & Omolo. J.O (2008) '*Incentives for health worker retention in Kenya: An assessment of current practice*, EQUINET Discussion Paper 62.AMHF, EQUINET, ECSA-HC: Harare.
31. Parker, O. and Wright, L. (2001). Pay and employee commitment: the missing Link. In *Ivey Business Journal.65 (3): 70-79.*
32. Robbins. S. P., . DeCenzo. D. A & Verhulst. S. L. (2012). *Fundamentals of Human Resource Management, 11th Edition;,* Wiley E-Text, ISBN : 978-1-118-54544-7.
33. Sababu. B.M. (2010). *Human Resources and Industrial Relations*; Nairobi: Jomo Kenyatta Foundation.
34. Schwanhausser, M. (2004). "New Survey Shows Variety of Workers hold Stock Options", *Knight Ridder Tribute Business News*, p.1.
35. Shoaib. M, Noor A, Tirmizi S R & Bashir. S (2009**).** *Determinants of Employee Retention in Telecom Sector of Pakistan.* Proceedings 2nd CBRC. Lahore: Pakistan.
36. Tettey, J. W. (2006). *Staff retention in African Universities: Elements of Sustainable strategy*. Washington D.C: World Bank.
37. Torrington, D.Hall, L. Taylor, S. & Atkinson, C. (2011*). Human Resource Management*. 8th Edition, Prentice Hall: Pearson Education
38. Universal Health 2030, (2017). *The 2015 Kenya Health Workforce Report on The Status of Health Care Professionals in Kenya*.
39. Williams, M. L., & Dreher, G. F. (1992). Compensation systems attributes and applicant pool characteristics. In *Academy of Management Journal*. 435:571-95.
40. Willis, C. (2000). Go for your goals. *Working woman,* 6-7.