

# Remuneration and Reward Management Practices Implication on Health Sector Service Delivery in Nyeri County, Kenya

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## Abstract

Service delivery in the health sector impacts on the health of the citizens who provide productive labour force in the economy. Effective delivery of service in the health sector, can among other things be influenced by the human resource practices adopted in the sector. This study focus was on Nyeri County, Kenya in the context of a devolved health system aiming to examine the implications of remuneration and reward management practices. There has been several readjustment challenges witnessed in several counties arising from implementation of devolution in Kenya. The theoretical framework of the study was anchored on Herzberg two factot and Vroom expectancy theories. The study used convergent design integrating both qualitative and quantitative data analysis. The study targeted a population of 916 health workers, from which a sample size of 266 was drawn. However, only 183 questionnaires were duly completed and returned for analysis. The primary data was collected by use of questionnaires and interview schedule. Secondary data was obtained from the available existing published literature related to the study. Collected data was analysed using descriptive and inferential statistics. The findings revealed that having a strong reward, remuneration and motivation system help to retain talented workforce. It was further noted that bonus payment, incentives were based on individual employee performance, however these were lacking in health sector hence poor health sector service delivery. Also there was no remuneration for doctors and nurses for long hours of work. Further, Regression analysis indicated a statistically significant and positive relationship between employee remuneration and reward practices and service delivery ( $\beta = 0.314$ ,  $p < 0.001$ ). It was recommended that health sector could ensure that bonus payment were made to individual employees as they could be proportionate to their work and hence improve service delivery. The study contributes to theory by giving compensation and reward components through which health sector can reciprocate in order to enhance service delivery among its workforce.

**Keywords:** Employee, compensation, remuneration, reward, health sector, service delivery, Kenya

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## Introduction

Health workforce is the heart of the health sector, remuneration and reward practices are the blood pumping through the heart to sustain the sector. Without employees commitment an organization can hardly accomplish their set goals and objectives (Armstrong, 2009; Đorđević et al., 2020; James, Brownson & Efi, 2024). Various studies propose that remuneration and reward has a major input in employee job performance, leading to improved quality of service delivery (Muchai, Makokha & Namusonge, 2018; Madingwane et al., 2023). Dewhurst et al. (2009), define rewards as both financial and non-financial benefits that are given to employees for good performance at

work, or for accomplishing assigned duties, as stipulated in an organizational structure, strategies, policies, and processes (Salam et al., 2021). Reward and remuneration in health sector in Kenya, have led to several strikes. Pay dissatisfaction reduces organizational efficiency and lowers work quality, which may lead to decreased performance, increased complaints or employee resignation (Krishnan & Rathakrishnan, 2025). Poorly remunerated

jobs can lead to absenteeism and various forms of employee disengagement (Govindarajo, Kumar & Sri Ramulu, 2014). Excessive pay, on the other hand, causes tension, guilt and anxiety, reduces the organization's competitiveness, and limits its ability to create jobs.

This study aimed at filling the gap on HRM practices by examining health workforce reward and remuneration; on service delivery in Nyeri County, Kenya. Like in the Philippines health sector service delivery in Kenya, as provided for in the Constitution 2010 faces many obstacles. The health sector has experienced delayed service delivery, frequent disputes between management and workers, resulting to delayed salaries (Kenya, 2016; Kimathi, 2017). Lack of adequate personnel has been one of the biggest contributing factors to staff unrest, between January and August 2015, more than twenty two counties, experienced strikes (Kariuki 2015). These challenges were not experienced in private health facilities and their operations were smooth with minimal disruptions.

Reward and remuneration of workers for services rendered, create value and commitment to organizational goals (Elrayah & Semlali, 2023). There is

increasingly need for an organization to be in a position to understand appropriate rewarding system that motivates their employees for higher organization performance (Tumi, Hasan & Khalid, 2022). Fair reward improve quality of work and the mental wellbeing of the workforce, on the other hand, poor reward hinders quality of service delivery. Remuneration is characterized as the total sum of the money related and non-fiscal pay given to an employee by a business as an end-result of service delivered. Improving the quality of health services is a continuing challenge to managers in the health system (Tan, Lam, Matchar, Zee & Wong, 2021). Job satisfaction significantly impacts productivity and patient care quality in the health sector (Goula et al., 2022). Pay is a key factor, as dissatisfaction due to inadequate remuneration can lead to high employee turnover, absenteeism and reduced efficiency, while enhanced satisfaction boosts productivity (Jahan et al., 2023).

Similar to several African countries, Kenya is grappling with a severe shortage of healthcare workers, as many professionals leave for higher-paying jobs in developed nations or relocate to urban centers within the country in search of better opportunities (Dogbey, 2016). To address this, the Government of Kenya launched the Health Sector Services Fund (HSSF) in 2010 to strengthen primary healthcare and improve equitable and efficient service delivery (Gitonga, 2021). This initiative also involved devolving authority from a central ministry. Britteon et al. (2024) examined the effects of devolution on local health systems in Greater Manchester, England, and found that decentralization improved healthcare oversight and monitoring.

Devolution presents unprecedented opportunities and challenges to the health sector that determine the effectiveness of overall service delivery. There is growing recognition of shrinking HRH in public sector

resulting to poor delivery of health services (GoK, 2014). Nyeri County has suffered constant employee unrest and unsatisfactory services (Wangechi, 2018). Among the key contextual influences sigled out are poor employee remuneration and incentives leading to demotivation. The constant employees unrest in Nyeri County health sector, disagreements revolve around reward systems amidst declining employee performance concerns (County Government of Nyeri, 2018). Public hospitals in Kenya, including Nyeri County, continue to experience unsatisfactory performance leading to poor service delivery (Ongori, 2019).

Theoretical perspective have shown that reward systems has ramifications on individual and collective employee performance (Ngwa et al., 2019). Following devolution of health function at county level many studies have been conducted about employee reward and compensation in both private and public sector. Mugaa, Guyo and Odhiambo (2018), Ndungu (2017) found our that financial rewards create the highest impact on employee performance. Despite many studies carried out on compensation & reward management practices, still many issues remain unresolved. A review of the past literature brings forth a large number of gaps which are largely emperical, contextual, methodological and conceptual in nature.

The problem of poor control of scarce resources embezzlement and pilferage have significant influence on the above problems in Kenya (Ndunda, 2024; Hope Sr. 2014). A study by Khaunya, Wawire and Chepng'eno (2015), revealed that counties faced a myriad of challenges under devolved governance in Kenya that stood in the way of the realized achievements. These circumstances are further intensified by the impression of practical issues in course of seeking treatment. Nyeri County as one of the devolved units has the best health

services in Kenya according to Commission on the Implementation of the Constitution. Despite this stability, the county still suffers serious health crises. This includes recurrent health workers strikes due to issues of staff remunerations, delayed salaries, poor leadership and governance (Ongori, 2019). This study sought to establish compensation and reward management practices' implication on health sector service delivery in Nyeri County, Kenya.

## Literature Review

### Theoretical Framework

The study was anchored on Herzberg's two-factor theory and Vroom's 1964 expectancy theory. In tandem with the economic perspective, the human is the subject to take charge of all activities such as production, service delivery and transaction (Coco et al., 2023). Meeting the needs and achieving the goals of both employee and the organization is the cornerstone of job satisfaction and this is of crucial importance to management, as it is correlated with the upgrading of quality of service delivery. The two-factor theory shows that some factors result in satisfaction while others prevent satisfaction as proposed by Herzberg (1987). The factors that contribute to job satisfaction are identified as hygiene factors which are intrinsic in nature. These factors include work environment; they require constant attention to prevent dissatisfaction. According to Herzberg's two-factor theory, remuneration and co-workers are hygiene factors. According to Herzberg's theory, motivation factors that make people dissatisfied at work are dissimilar from those that motivate them and enhance service delivery (Buny, 2019). Herzberg's theory contributes to job satisfaction, on how workers view their work environment. On the other hand, job attributes and achievements are reward factors. Once

hygiene factors are met according to Herzberg, they will promote job satisfaction resulting in better performance and hence quality health sector service delivery.

The expectancy theory backed this study by describing the existing relationship between reward management practices and employee response towards them. The theory is used to demonstrate the variable of employee professional development and elucidates the expectation of employee opportunity for progression through training leading to promotion after acquiring additional skills. The employee also expects to be fairly remunerated and other motivational activities including recognition for outstanding performance.

## Empirical Review

### Empirical evidence on remuneration and reward management on service delivery

Research consistently demonstrates a strong link between well-designed remuneration and reward systems and enhanced service delivery. Studies across different sectors, including education, hospitality, public institutions, healthcare and banking, indicate the importance of both financial and non-financial incentives.

In the education sector, a randomized experiment by Leaver et al. (2021) in Rwandan primary schools found that performance-based pay significantly improved teacher effort and student learning outcomes (by 0.16 to 0.20 standard deviations). This suggests that incentive-based remuneration can directly enhance educational service delivery.

The hospitality industry has also been a focal point for research in this area. Nkoungas and Onojaefe (2023) in Cape Town, South Africa, revealed that financial and non-financial rewards positively correlated with employee motivation, performance, and retention, thereby

enhancing service delivery. Similarly, Bibi et al. (2020) confirmed that fair and adequate compensation is crucial for employee commitment in the hotel industry, which in turn is vital for consistent, high-quality service. Sitati et al. (2019) further emphasized that competitive remuneration packages are critical for retaining skilled employees in Kenyan hotels, ensuring consistent and high-quality service delivery. More recently, Njenga and Kamaara (2023) highlighted that comprehensive employee benefits and a positive work environment are key to retaining skilled hospitality employees in Nairobi, directly impacting service quality.

In public institutions, Kampororo (2021) investigated the Rwanda Housing Authority and found that well-structured reward systems, including recognition and performance-based incentives, significantly improved employee performance and service delivery.

The healthcare sector also benefits greatly from effective reward management. Pkite and Ng'eno (2022) at Kenyatta National Referral Hospital showed that comprehensive reward management practices such as salaries, allowances, housing, medical cover, and career advancement opportunities positively influenced employee performance and service quality. Ndung'u (2022) further supported this, indicating that direct and indirect financial compensations and incentive plans are vital for motivating health workers in Kirinyaga County, leading to improved patient care and service delivery. Finally, in the banking sector, Shiverenje, Iravo, and Kwasira (2024) analyzed innovative compensation strategies in Nairobi and found that unique and well-communicated compensation packages are effective in attracting and retaining top talent, which is crucial for service excellence. Based on the cumulative evidence from these studies, it is hypothesized that:

*H<sub>01</sub>: There is no statistically significant relationship between employee remuneration and reward practices and health sector service delivery.*

## Methodology

This research study was conducted in Nyeri County, Kenya, focusing on four public health facilities: three county (Level 4) hospitals and one Level 5 referral hospital. These hospitals were purposively selected to represent the major healthcare delivery points across the county and were treated as strata to ensure diverse perspectives were included, reflecting the realities of healthcare service provision at different levels.

The study was guided by the positivist philosophy and grounded on pragmatism in the principle of using mixed methods to achieve a better understanding of the research problem. It combines the strengths of both qualitative and quantitative methodologies, allowing the researcher to explore not only measurable effects but also contextual insights into remuneration and reward management practices.

A convergent parallel mixed methods research design was adopted. This approach involved collecting both qualitative and quantitative data concurrently but analyzing them separately (Moseholm & Fetters, 2017).

The study targeted a population of 916 health workers employed in the selected hospitals. This population included permanent staff across different levels, including senior, middle-level, and auxiliary staff. Among the key cadres targeted were medical doctors, dentists, clinical officers, nurses, radiologists, laboratory technicians, and human resource officers. These groups were purposefully chosen based on their roles in healthcare delivery and HRM implementation.

The sample size was derived using the guideline by Cooper and Schindler (2006), which recommends a 30% sample for descriptive research. Accordingly, a sample of 266 respondents was selected from the target population of 916 health workers. The hospitals were selected using a combination of sampling techniques. All four Level 4 county hospitals were selected through census due to their limited number. The Level 5 referral hospital was selected through purposive sampling because of its pivotal role in policy implementation and strategic healthcare delivery. Simple random sampling was used to pick the three sub-county hospitals from the list of county hospitals. Purposive sampling was also applied in selecting senior management staff who were interviewed due to their involvement in human resource and compensation policy decision-making.

Before the main data collection, a pilot study was conducted in one public hospital that was not included in the main study. The pilot involved 10% of the intended sample size (27 respondents) and aimed to test the clarity, coherence, and applicability of the research instruments. Feedback from the pilot study informed necessary revisions to improve the validity of the data collection tools.

To ensure both validity and reliability, the study instruments underwent expert review by professionals in human resources and public health. Reliability was assessed using Cronbach's Alpha coefficient, with a threshold of 0.70 or above considered acceptable for internal consistency. The Cronbach's Alpha coefficient obtained was 0.89 confirming the reliability of the instruments.

Data collection involved both primary and secondary sources. Primary data was gathered using structured questionnaires administered to health workers and interview schedules used for senior management staff. The questionnaires included both closed and

open-ended questions to allow for quantifiable and explanatory responses. Interviews were conducted face-to-face to collect in-depth qualitative data, particularly on issues related to policy and human resource management practices. Secondary data was sourced from official reports, health policy documents, human resource manuals, and relevant literature on remuneration and reward systems.

Quantitative data was analyzed using the Statistical Package for Social Sciences (SPSS) version 21. Descriptive statistics, including frequencies, percentages, and means, were used to summarize the data. Inferential statistics, particularly multiple linear regression analysis, were used to examine the relationship between remuneration and reward management practices and health service delivery outcomes. The regression model used was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where

Y represents the dependent variable (health service delivery),

X1 stands for salary and benefits,

X2 for non-monetary rewards (such as recognition and promotions), and

X3 for incentive schemes.

$\beta_0$  is the constant,

$\beta_1, \beta_2, \beta_3$  are coefficients of the independent variables, and

e is the error term.

Qualitative data collected through interviews was analyzed thematically. Interview transcripts were organized to reflect participants' perspectives on remuneration and reward practices.

## Results

### Descriptive statistics for employee reward and remuneration

Table 1 below presents the distribution of responses on various remuneration and reward elements

provided to employees in the health sector based on a 5-point Likert scale, where 1 = Strongly Disagree and 5 = Strongly Agree.

**Table 1:** Descriptive statistics for reward and remuneration (N=183)

ITEM	Mean	SD
I am paid bonuses for the job well done e.g. out performance allowances	1.58	1.013
In my hospital I am paid house to office commuting allowance	3.11	1.564
My hospital I am motivated for extra work done with a monetary reward	1.95	3.102
Since devolution, in my hospital there is equity pay system	2.28	1.279
My talent is recognized in my hospital with monetary motivation	1.87	1.158
My hospital I am paid a competitive incentive reward pay	1.74	0.983
In my hospital employees are paid skill based salaries	2.78	1.229
In my hospital I am paid outside office duty allowances	2.89	1.410
In my hospital salary review is carried out every year since the onset of devolution	2.56	1.214
I am paid hourly allowances for overtime worked in my hospital	1.65	1.114

The findings regarding employees' remuneration and bonuses for outstanding performance revealed that the majority of respondents (85%) disagreed (mean = 1.58; SD = 1.013), indicating a widespread perception that excellent work is not adequately rewarded. Similarly, respondents largely denied receiving house-to-office commuting allowance (mean = 3.11; SD = 1.564).

A significant finding highlights the operational challenges within the health sector: the majority of respondents indicated they were frequently called upon to perform duties in other areas due to staff shortages (mean = 2.56; SD = 2.14). However, despite this increased workload and flexibility, respondents generally disagreed that they were motivated for extra work done with a monetary reward (mean = 1.95; SD = 3.102).

The study also established that health sector employees found their salaries unsatisfactory, with respondents disagreeing that there was salary equity (mean = 2.28; SD = 1.279). This perception of unfair compensation is a critical demotivator. Furthermore, a lack of talent

recognition was evident, as respondents disagreed that their talent was recognized with monetary motivation (mean = 1.87; SD = 1.158). The findings also showed that the majority of respondents disagreed with receiving competitive incentive rewards through monetary means (mean = 1.74; SD = 0.983) and skill-based salaries (mean = 2.78; SD = 1.229).

Regarding specific allowances and reviews, respondents largely disagreed that they were offered outside office duty allowance (mean = 2.89; SD = 1.410). A significant concern was also raised about the frequency of salary reviews; the majority of respondents disagreed that salary review is carried out every year since the onset of devolution (mean = 2.56; SD = 1.214). Finally, the majority of respondents disagreed that they were paid hourly allowances for overtime worked (mean = 1.65; SD = 1.114). These results collectively point to substantial dissatisfaction with the current remuneration and reward practices in the health sector.

**Descriptive statistics for service delivery**

Table 2 presents the descriptive statistics on service delivery among health

sector employees, based on responses from 182 participants using a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree).

**Table 2:** Descriptive statistics on service delivery (N = 183)

Statement	Mean	Standard Deviation (SD)
Patients are attended to promptly at the facility.	3.21	1.08
Staff demonstrate professionalism in service delivery.	3.78	0.89
Quality of care provided has improved in the last 12 months.	3.45	0.97
Medical supplies and equipment are consistently available.	2.63	1.12
Health workers are adequately motivated to deliver high-quality services.	2.89	1.05
Service delivery meets the expectations of patients.	3.17	1.02
The facility has implemented feedback mechanisms for patient satisfaction.	2.74	1.11
Collaboration among staff enhances service delivery.	3.90	0.84

The assessment of service delivery within the health facilities reveals varied perceptions among respondents. On a positive note, staff professionalism in service delivery was highly rated, with a mean of 3.78 (SD = 0.89), indicating a strong perception of competent and ethical conduct among healthcare providers. Similarly, collaboration among staff was viewed as a significant enhancer of service delivery, scoring the highest mean of 3.90 (SD = 0.84), suggesting effective teamwork contributes positively to patient care.

However, several areas highlight opportunities for improvement. While patients are generally attended to promptly (mean = 3.21, SD = 1.08), and the quality of care provided has shown some improvement over the last 12 months (mean = 3.45, SD = 0.97), these aspects still fall short of optimal. A notable concern is the consistent availability of medical supplies and equipment, which received a comparatively low mean of 2.63 (SD = 1.12), indicating potential

shortages or inconsistencies that could impede effective service delivery.

Furthermore, respondents expressed reservations about the motivation of health workers to deliver high-quality services, with a mean of 2.89 (SD = 1.05). This perception aligns with the previously discussed challenges regarding remuneration and reward, suggesting a direct link between employee motivation and perceived service quality. Patient expectations for service delivery are also not consistently met, as indicated by a mean of 3.17 (SD = 1.02). Lastly, the implementation of feedback mechanisms for patient satisfaction appears to be an underdeveloped area, with a mean of 2.74 (SD = 1.11), suggesting that facilities may not be adequately capturing or utilizing patient feedback to drive improvements.

### **Thematic analysis from key informant interviews**

This study conducted interviews with twelve (12) interviewees that consisted of the three (3) top management staff from each of the three

level four and one level five hospitals in Nyeri County, Kenya.

The key informants or respondents interviewed respondents in all hospitals indicated that the delay of salaries was as a result of poor management of the county offices responsible for pay roll of the county government employees.

*“A key interviewee said “salaries are paid by the County Board, Hospital Management has no Control over the delay” (RSP 1).*

The interviewed respondent stated the following;

*“Due to lack of autonomy in hiring the health sector employees the healthcare workers have continued to be poorly compensated” (RSP 11).*

**Motivation and service delivery**

The study revealed that 69.4% of the respondents felt inadequately

compensated for their duties. Only 26% acknowledged receiving extra pay for work beyond regular hours. This dissatisfaction aligns with global findings by Claire & Ashraf (2012), who noted that better working conditions and compensation significantly reduce health worker attrition. Additionally, Herzberg’s Two-Factor Theory supports that intrinsic and extrinsic motivations influence job satisfaction. The low scores in monetary rewards, bonuses, and recognition suggest limited motivation strategies, undermining performance.

**Hypothesis testing**

The null hypothesis (H0): *There is no statistically significant relationship between employee remuneration and reward practices and health sector service delivery.*

**Table 3:** Model summary of coefficients of relationship

R	R Square	Adjusted Squared	R Std. Error of the Estimate	Change Statistics					
				R Change	Square F Change	df1	df2	Sig. Change	F
.314 <sup>a</sup>	.099	.094	.17975	.099	19.850	1	181	.000	

*a. Predictors: (Constant), Employee Remuneration and Reward*  
*b. Dependent Variable: Health Sector Service Delivery*

The model summary (Table 3) indicates that employee remuneration and reward practices explain 9.9% of the variation in health sector service delivery (R<sup>2</sup>=0.099).

While this indicates a significant relationship, it also suggests that 90.1% of the variation in service delivery is explained by other factors not captured in this model.

**Table 4:** ANOVA table for employee remuneration & reward on service delivery

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	.641	1	.641	19.850	.000 <sup>b</sup>
Residual	5.848	181	.032		
Total	6.489	182			

*a. Dependent Variable: Employee service delivery*

The output in Table 4 indicates that the regression model of remuneration and

reward on health sector service delivery; is significantly better prediction of the level of

service delivery ( $F_{(1,181)} = 19.850, p = 0.001 < \alpha = 0.05$ ).

**Table 5:** Coefficients for remuneration and reward on health sector service delivery

	Unstandardized		Standardized	T	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.417	.040		10.361	.000
Employee remuneration and Reward system	.384	.086	.314	4.455	.000

*a. Dependent Variable: Employee service delivery*

The outcome in Table 5 reveals that employee remuneration and reward significantly and positively predict employee service delivery ( $t=4.455, p<0.001$ ). This robust finding leads to the rejection of the null hypothesis (H01). Therefore, it is concluded that employee remuneration and reward practices have a statistically significant relationship with health sector service delivery. The positive coefficient ( $\beta=0.314$ ) indicates that an improvement in remuneration and reward practices is associated with an increase in service delivery.

The predictive model can be expressed as:

$$\text{Employee service delivery} = 0.417 + 0.314 \times \text{Employee Remuneration and Reward}$$

This equation suggests that for every unit increase in employee remuneration and reward, there is an approximate 0.314 unit increase in employee service delivery, holding other factors constant.

## Discussion

The findings from this study, particularly those regarding the state of employee reward and remuneration in Nyeri County's health sector, strongly suggest that current structures are suboptimal and significantly contribute to employee dissatisfaction. This aligns with broader trends observed in Kenya's devolved counties, where irregular

and inequitable compensation has been noted to demotivate health workers and impair service delivery (Oyugi, 2015; Wamalwa et al., 2022). Our data specifically show that performance-based bonuses are perceived as largely absent or insufficient and essential forms of compensation like monetary rewards for extra work, talent recognition, and competitive incentive pay also scored poorly. These results point out structural inefficiencies in reward systems that fail to adequately account for individual contributions or increased workloads. This lack of competitive and performance-based incentives contradicts recommendations from the Public Service Commission (PSC) of Kenya (2021), which consistently emphasizes aligning reward systems with individual and institutional performance goals. A further critical concern emerging from the data is the perceived absence of annual salary reviews, undermining both employee morale and retention. This resonates with previous findings by Ngure (2018) and Okello and Kaseje (2020), who documented how the lack of transparent salary review mechanisms in Kenya's public health institutions contributes to workforce attrition.

Beyond the immediate context of Nyeri County, these findings echo a consistent theme across various sectors and global studies. Research consistently demonstrates a strong link between well-

designed remuneration and reward systems and enhanced service delivery. For instance, in the education sector, Leaver et al. (2021) conducted a randomized experiment in Rwandan primary schools, finding that performance-based pay significantly improved teacher effort and student learning outcomes. This underscores how incentive-based remuneration can directly enhance service delivery. The hospitality industry also provides ample evidence. Nkouangas and Onojaefe (2023) in Cape Town, South Africa, revealed that both financial and non-financial rewards positively correlated with employee motivation, performance, and retention. Similarly, Bibi et al. (2020) confirmed that fair and adequate compensation is crucial for employee commitment in hotels, which is vital for consistent, high-quality service. Sitati et al. (2019) further emphasized that competitive remuneration packages are critical for retaining skilled employees in Kenyan hotels, while Njenga and Kamaara (2023) highlighted the importance of comprehensive employee benefits and a positive work environment for retaining skilled hospitality staff in Nairobi, directly impacting service quality.

In the public institutions sector, Kampororo (2021) found that well-structured reward systems, including recognition and performance-based incentives, significantly improved employee performance and service delivery within the Rwanda Housing Authority. Within the healthcare sector specifically, Pkite and Ng'eno (2022) at Kenyatta National Referral Hospital showed that comprehensive reward management practices such as salaries, allowances, housing, medical cover, and career advancement opportunities positively influenced employee performance and service quality. Ndung'u (2022) further supported this, indicating that direct and indirect financial compensations and incentive plans are vital for motivating health workers in Kirinyaga

County, leading to improved patient care and service delivery. Finally, in the banking sector, Shiverenje, Iravo, and Kwasira (2024) analyzed innovative compensation strategies in Nairobi, finding that unique and well-communicated compensation packages are effective in attracting and retaining top talent, which is crucial for service excellence.

Despite the widespread issues with remuneration, the assessment of service delivery in Nyeri County's health facilities also highlighted some positive aspects. High levels of professionalism and strong teamwork among staff indicate that intrinsic motivation and collaborative spirit among health workers contribute positively to service quality, even in the face of extrinsic challenges. However, significant challenges persist in key service delivery indicators. For instance, the availability of medical supplies and equipment received a low mean score, which may indicate procurement inefficiencies and inadequate resource planning. These results are consistent with findings from Kenya (2016) and Mwenda et al. (2023), who noted that operational gaps in logistics and resource allocation often undermine health service delivery in county hospitals. Furthermore, low perceived motivation levels among health workers and inadequate feedback mechanisms point to systemic weaknesses. Nyikuri et al. (2021) also noted that the absence of structured employee feedback and recognition systems in Kenyan health facilities leads to reduced morale and weaker service outcomes. Further, the study regression analysis statistically confirms that remuneration and reward significantly impact service delivery. The evidence strongly supports the assertion that better compensation policies can substantially enhance performance in the health sector. These findings mirror those of international studies such as that by Franco, Bennett, and Kanfer (2012), who argue that poor compensation is among the primary

drivers of inefficiency and demotivation in the healthcare workforce in sub-Saharan Africa. The relationship between remuneration and service delivery is further emphasized by Herzberg's Two-Factor Theory, which posits that hygiene factors such as salary and working conditions must be adequately addressed to prevent employee dissatisfaction and enable individuals to be motivated by intrinsic factors.

## Conclusion

Rewards basically are an act or promise for greater action. It is like a stimulus to greater action. It means additional remuneration or benefit to an employee in recognition of achievement or improved work, that spur or zeal in the employees for better performance. Therefore, a hope for a reward is a powerful incentive to motivate employees because these rewards are used in organization to induce the performance of employees to be effective and efficient in workplace so as to achieve the desired aims and objectives of the organization. Each company or organization must decide if increased performance or satisfactory levels of performance is to be remunerated by employees' salaries alone or if additional financial rewards are to be considered. This study concluded that a robust reward, remuneration, and motivation system is essential for the retention of a talented health workforce in Nyeri County, Kenya. The findings revealed significant dissatisfaction among health sector workers regarding current compensation practices. Bonus payments and other performance-based incentives were notably absent, leading to a demoralized workforce and poor service delivery in public hospitals. Health workers reported not being compensated for long hours of work, further undermining their motivation and job satisfaction. The lack of autonomy in human resource management and delays in

salary disbursements due to inefficiencies in county-level payroll systems were additional factors negatively affecting employee morale and performance. Furthermore, the study identified that poor reward systems contributed to high attrition rates, as health professionals sought better employment conditions elsewhere. The absence of a competitive and transparent remuneration policy was seen as a major barrier to improving health service delivery. Lastly, study conclusively demonstrates a statistically significant positive relationship between employee remuneration and reward practices and service delivery within the health sector.

## Recommendations

Based on the study's findings, the following recommendations are crucial for improving remuneration and reward practices and, by extension, service delivery in the health sector:

1. The County Board should consider delegating more autonomy to hospital management in managing payroll and compensation. This would enable timely salary payments and allow hospitals to implement more flexible and responsive reward systems tailored to their specific needs and staff performance, thereby addressing the issue of delayed salaries identified by key informants.
2. Health sector should ensure that bonus payment were made to individual employees as they could be proportionate to their work and hence improve service delivery. While financial incentives are crucial, non-monetary rewards such as professional development opportunities, public recognition, and improved working conditions can also significantly enhance motivation and job satisfaction.

3. Payroll processes should be streamlined, and greater financial autonomy granted to hospital management to avoid delays in salary disbursement. Transparent financial management practices are essential to build trust and enhance employee motivation.
4. To address the widespread dissatisfaction with salary levels and perceived inequity, regular and transparent salary reviews should be conducted. These reviews must aim to ensure fair and competitive compensation packages that align with industry standards and account for experience, skills, and workload.

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