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**INFLUENCE OF ORGANIZATIONAL CLIMATE ON EMPLOYEE
PERFORMANCE AT PUBLIC HOSPITALS IN MAKUENI COUNTY,
KENYA**

SHYREEN KHALID




**SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION IN
HEALTHCARE MANAGEMENT AT STRATHMORE UNIVERSITY**

**STRATHMORE UNIVERSITY
NAIROBI, KENYA**

2020

DECLARATION

I declare that this project is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief; this project is original and borrowed materials has been done with due reference.

Sign...  Date.....17th October 2020.....

Shyreen Khalid Abubakar

Approval

This project has been reviewed and approved for examination purposes.

Sign...  Date...17 October 2020...


Name of Supervisor: Dr Ben Ngoye

Head of Faculty:

School name: Strathmore Business School

ABSTRACT

Human resource for health is considered essential to the production, delivery and provision of quality health care services. However, Kenya, like other countries in Africa, faces a challenge with its healthcare human resource as most of its trained employees are moving to developed countries. The general objective of this study was to establish the influence of organizational climate on employee performance at public hospitals in Makueni County, Kenya. Specifically, the study sought to assess effects of working conditions, interpersonal relationships and incentives on performance of employees. Accordingly, a descriptive survey research design was adopted. The target population was the 837 employees at public hospitals in Makueni County. The study selected a sample of 270 respondents using stratified random sampling method. Data collection was via a semi-structured questionnaire. Descriptive statistics were used to analyze quantitative data and the findings presented in tables and figures. Qualitative data analysis was by use of content analysis. The study also determined the direction and strength of the relationship between independent and dependent variables through correlation and regression analysis.

The study found that working conditions, interpersonal relationships, and incentives had a positive and statistically critical impact on employee performance. The study also found that changes in working conditions, interpersonal relations and incentives affects middle level management more, followed by members of staff and lastly top-level management. Additionally, hierarchical level was established to have a positive moderating influence on the relationship between organizational climate and employee performance at public hospitals.

Based on the above findings, our recommendations are that the administration of public hospitals should ensure that they provide employees with conducive working environment. This includes ensuring that they have enough working space and amenities. Hospitals may also consider regularizing activities that can help improve interpersonal relations such as team building. This study had several limitations: the study focused on a single county; the study focused on only three aspects of organizational climate; not all factors affecting performance were explored. Further studies that address these limitations are therefore recommended.

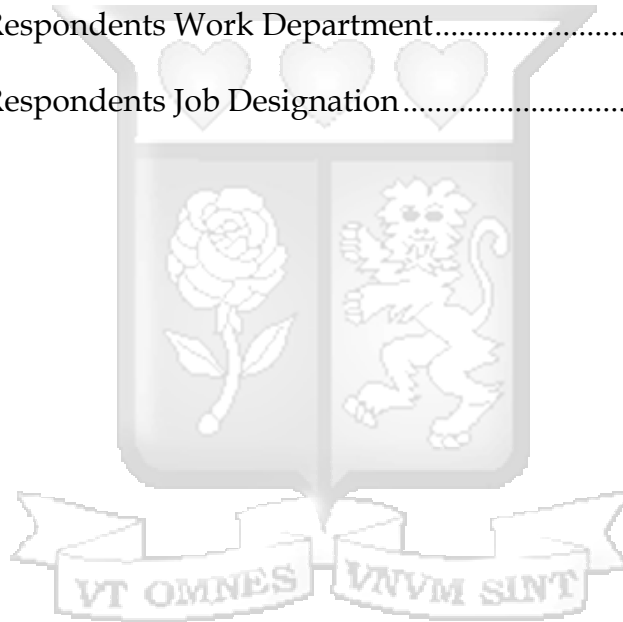
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ABBREVIATIONS /ACRONYMS

ANOVA	Analysis of Variance
COPSOQ	Copenhagen Psychosocial Questionnaire
HP	Hewlett-Packard
HRH	Human Resources for Health
IBM	International Business Machines
IT	Information Technology
KMPPDU Union	Kenya Medical Practitioners, Pharmacists and Dentists
KPLC	Kenya Power and Lighting Company
MOH	Ministry of Health
NACOSTI Innovation	National Commission for Science, Technology and
PCK	Postal Corporation of Kenya
PLS	Partial Least Square
SEM	Structural Equation Modeling
SPSS	Statistical Package for Social Sciences
WHO	World Health Organization

CHAPTER ONE

INTRODUCTION

1.1 Introduction

In this chapter, the study presents the introduction in reference to organizational climate and employee performance. It explores the background, problem statement, objectives, research questions, significance and scope of the study.

1.2 Background of the study

Employees are considered an essential resource for effective performance in any organization (Armstrong, 2009). In other words, organizations can achieve their targets only through their employees (Armstrong, 2009). Among the many issues that are postulated to affect the performance, productivity and morale of employees is organizational climate (Glisson & Green, 2011).

Globbaly, Glisson and Green (2011), indicated that organizational climate is one of the main elements in achieving a desirable work approach among employees of an organization. Zohar and Luria (2014) believe that organizational climate is an element that reflects common understanding of the organization's employees towards the working environment and shapes their feelings toward the organization. The reported results of Wahee and Grover (2013) indicate that factors such as justice, working conditions, job security, job salaries and benefits, comfortable work environments, and effective training can produce a significant effect on job satisfaction of individuals. In British hospitals Wahee and Grover (2013) noted that the more the climate is better the performance is best.

In Egypt, El-Salam (2008) found a positive association between organizational climate and nurse's empowerment. In Nigeria, Ella and Asuquo (2010) noted that nurses from the federal institution had a significantly highly favorable perception of their organizational climate than nurses from state and private health institutions. Kalhor *et al.*, (2018) revealed that organizational climate

played a significant role on the nurses' job involvement. In Kenya, Obeng (2020) explained that an effective organizational climate, organizational support does little to strengthen or weaken employee performance.

1.2.1 Organizational Climate

The notion of organisational climate was officially presented in the late 1940s by human relationists. Organisational climate has been defined as distinctive characteristic traits that employees perceive regarding their organisations which serves as a key influencer to their behaviour (Glisson and Green, 2011). Thus, it can be considered as the social setting of the organisation (Al-Saudi, 2012). Also, Wirawan (2014) noted that organisational climate is a general representation of what the organisation is, it expresses the notions employees have of the environment within which they work (Wirawan, 2014).

Organizational climate has also been defined as the belief and attitude, employees' sentiments and opinions regarding the organizational environment at a particular moment (Wirawan, 2014) and includes the following elements: level of receptiveness or cooperation on members opinions, positive atmosphere, stimulating performance or tense relations, performance indifference, lack of cooperation, and other professional and social issues (Ouyang, Zhou & Qu, 2015). These elements could be regrouped as work climate and interpersonal relationships. Moreover, other authors posit that the climate in an organization is dependent on a number of aspects which includes characteristic of the organization such as its size, structure, traditions, years of operation and the area its operating in (Glisson & Green, 2011). It also depends on employee character traits for instance their age, educational qualification, managerial style and their cultural level (Popa, 2011).

Employee productivity can be influenced by the organizational climate as it significantly affects employee motivation and job satisfaction (Adenike, 2011). Organisational climate establishes the work environment in which the employee feels satisfied or dissatisfied. Subsequently satisfaction determines or affects employees' efficiency, thus the organisational climate is directly

related to the employee efficiency and performance. In cases where employees feel that the organization values and respects them, then there is a high possibility that they will work towards achieving the goals of the organization (Camps & Rodríguez, 2011). Organizational climate is therefore important in ensuring that the workplace is good and healthy and therefore makes sure employees find comfort when working on their tasks (Suranto & Lestari 2014). As indicated by Schneider (2013), the climate of an organization can be seen through a process of social information concerning employee understanding of policies, procedures and practices they are experiencing and those behaviours they observe to be rewarded, expected and supported. Most of the time, an organization doesn't have a solitary climate rather they have various climates occurring simultaneously (Schneider, 2013). Maintaining a positive climate in an organization, one that focuses on employees, is very important to ensure the organization attains its set goals and objectives (Omolayo & Ajila, 2011). As explained by Glisson and Green (2011), one key element that guides an organization to achieve desired work approach among its employees is organizational climate (see also Zohar & Luria, 2014).

Organization climate, concerns the meaning employees attach to the tangible policies, practices, and procedures they experience in their work situation. This study focused on the following climate dimensions on working conditions, interpersonal relationships and incentives. Working conditions are the context within which a worker is expected to perform his job. Interpersonal relationships refers to a strong association among individuals working together in the same organization. Incentives is a system of rewarding success and effort in the workplace by allowing employees to earn prizes or recognition (Schneider *et al.*, 2013).

A review by Iqbal (2008) on organization climate and employee commitment in Pakistan, revealed that organization climate and employee commitment were correlated. Similarly, Sharmila and Gokul Krishnan (2013) found that the climate in an organization, level of satisfaction, and motivation significantly

affected the way employees performed. Khadivi's (2019) review on the climate in the organization and the level of satisfaction with work among nurses also found encouragement by management as the most significant and with the highest positive influence on job satisfaction. On the contrary, in Turbuka, Sunarsih (2017) found performance of employees to be insignificantly affected by climate of the organization and job performance while motivation significantly affected performance. Payne (2013) found that perceptions of organizational climate showed significant variations by hierarchical levels. Poe, Zamora and Quinain (2019) found that performance of teams was significantly great among teams unlike that of hierarchical work teams.

With regards to different work settings, health institutions are inherently unique. Nevertheless, organizational climate variations have been noted amongst organizations. Therefore, it is appropriate to feature that every workplace has an eccentricity that is modelled more by the idea of work itself and the amassed characters of its employees. The healthier the interaction between members the healthier the organizational climate. With regard to different work settings, health institutions are inherently unique. In accordance to Nuti and Vainieri (2016) health institutional climate may be open or closed, permissive or dictatorial, high tone or low tone, tense or relaxed dependent on the environment made by the framework. These various climates lead to numerous consequences which in turn influence the fulfillment and well-being of health workers, which in the Nuti study, were nurses. The health institution represents a collective environment with its distinctive climate. Similarly, Martine (2006) cited numerous aspects that add to a constructive climate and changes staff nurses' performance specifically: work facilitation, apprehension over the people they care for, team building, decision making, participation, communications, customer service, quality, staff/physician relationship and compensation.

Existing studies have focused on nurses but not on the variety of workers and therefore unable to offer a comparison. Also, most of the studies have been conducted in other geographic distributions but few in developing countries

including Kenya. In addition, micro-climates occasioned by devolution mean that we cannot standardize research studies from earlier omnibus studies that were conducted before health care was evolved to counties. Consequently, it is against this setting the study pursued to ascertain how the current organizational climate in the public health sector affects employee performance.

1.2.2 Employee Performance

Performance is distinctively depicted as the level to which an employee contributes to accomplishing organizational goals. (Platts & Sobotka, 2010). Employee performance could incorporate quantity, quality and timeliness of output, work presence and cooperativeness (Güngör, 2011). Macky and Johnson (2013) refers to employee performance as the record of results achieved, for each work activity, during a predetermined period. From this view, performance is typified as an appropriation of results accomplished, and it could be estimated by using an assortment of parameters which depict an employee's performance over time. In this manner it could exclusively be depicted as the activities visualized for an employee and how well they were executed.

Within the hospital setting, the health workers' performance is viewed as an indispensable component in the delivery of quality health care and it assumes a key function in personnel choices such as career advancement and retention. Employee (doctors, nurses, clinicians, lab-technicians, etc.) performance in health facilities is characterized by how well the activity is done in accordance to as how well the job is done in accordance to the set guidelines and also the effectiveness of those upstream functions that provide the means necessary to achieve health system goals (Farooqui, 2012). It encapsulates the possible likelihood to perform explicit exercises so within the given time span and the partners limitations, it is the actual outcomes achieved compared to the ideal outcomes (Farooqui, 2012). In the public sector, employee performance is measures are service delivery, efficiency, efficacy, and quality. Service delivery

implies providing the best services needed by patients. Efficiency refers to the rate of output on job execution, efficacy relates to goal accomplishment rate and quality means consistently achieving expectations while having a positive, ethical working environment (Güngör, 2011).

1.2.3 Public Hospitals in Kenya

The Kenyan healthcare system is divided into three sectors, the Public, Commercial Private Sector, and Faith Based Organisations (FBOs). The Public Sector being the biggest, followed by the Commercial Private Sector and the FBOs. As stipulated by the Kenyan constitution (2010) Article 43 1 (a), 43(2) and 56, ministry of health has the responsibility of developing policies, setting standards, providing health services, creating an enabling environment and regulating the delivery of health services. Health services in counties is the responsibility of the county government; also, it is responsible for ambulance services, pharmacies, promoting primary health care, licensing and the control of those responsible for selling food to the public, funeral parlours, disposal of wastes and cemeteries.

In Kenya, the healthcare system has been structured to follow the following hierarchy: Community health services: they comprise of level 1 health facilities i.e. community units providing health care services at sub-county level by ensuring communities, individuals and households are practicing appropriate health behaviours and also recognize signs and symptoms of conditions that need referral. Primary care services: these are level 2 and level 3, and these includes dispensaries and health centres both government and privately owned. Their main responsibility is providing prevention of diseases, promoting health care services, act as a link to and from community health facilities, and provide basic diagnostics for outpatient, surgical, rehabilitative, and services for emergency in-patient as they await referral (Ministry of Health, 2018).

The level 4 (primary) and level 5 (secondary) health facilities in the counties main responsibility is providing comprehensive treatment, specialized

outpatient services while facilitating and managing horizontal and vertical referrals. National referral services: these are level 6 (tertiary) hospitals stand-alone and they include national laboratories, entities owned by the government, blood transfusion services, institutions for medical research and training of highly specialized services (Ministry of Health, 2018).

1.3 Statement of the problem

Since devolution of health services was done back in 2013, there have been many strikes witnessed for instance due to poor working conditions. Following the new constitution, the country saw decentralization of health related services decentralized to counties by the end to 2013. Since the process was done in a hurry, the county governments had no proper structures in place but still were given the responsibility of overseeing health service provision (Adenike, 2011). One key challenge facing counties is poor management of human resource (Choudhury, 2011). Therefore, they are exposed to issues of underpayment, delay in salaries, lack of fair structures to facilitate career advancement and they are being harassed and discriminated (Olango & Jarvis, 2014).

Another challenge faced by Kenya's health care workers is poor working conditions. In most public health facilities understaffing has forced workers to work for long hours and they also lack adequate support causing frustration and burn out. This can be demonstrated by the many health worker strikes. Between 2010 and 2016 there were six nation-wide strikes and many more regional strikes. Health workers' discontent and unrest seemingly coincided with the devolution of healthcare in 2013, with claims that the devolution process had been rushed resulting in challenges with human resource management functions. Between 2013 and 2017, a pattern had developed in which healthcare workers went on strike but returned to work with their concerns remaining largely unresolved. In 2017, a 100-day doctors strike was followed by a 150-day nurses strike. The reason given by the doctors and nurses for the strikes was the failure by government to implement Collective

Bargaining Agreements (CBAs) with their respective unions (KEMRI, 2017). Just like other African countries, Kenya is no exemption, it faces brain drain because most of its highly trained workforce including doctors are moving abroad. These challenges have created an organizational climate which has seen a decline in employee performance (HRH Strategic Plan, 2014-2017).

There are numerous empirical studies that have been done on organizational climate and employee performance. For instance, Stone *et al.*, (2016) on the link between organizational climate and the intentions of ICU nurses to leave. García, Castillo and Santa-Bárbara (2013) reviewed the organizational climate of nurses in public and private hospitals. Alves and Guirardello (2016) probed the relation between nursing work environment, patient safety and quality of care in a paediatric hospital. Also, in Egypt Zayan, Reizian and Hamouda (2013) sought to examine the relationship between organizational climate and nurses' job outcomes. Despite these studies having been conducted among nurses, they focused on the relationship between organization culture and their retention. Other studies focused on both public and private hospitals despite their distinct organization climate. None of the studies was conducted in the context of Makeni County. It is against this background that the study sought to establish the influence of organizational climate on employee performance in public hospitals in Makeni County, Kenya.

1.4 Objective of the Study

1.4.1 General objective

The general objective of the study was to examine the influence of organizational climate on employee performance at public hospitals.

1.4.2 Specific objectives

The study was guided by the following possible moderating effects:

- i. To examine the relationship between working conditions and employee performance at public hospitals.

- ii. To examine the effects of interpersonal relationships on employee performance at public hospitals.
- iii. To assess the effects of incentives on employee performance at public hospitals.
- iv. To examine the moderating effect of hierarchical levels on the relationship between organizational climate and employee performance at public hospitals.

1.5 Research questions

The study sought to answer the following research questions

- i. What is the influence of working conditions on employee performance at public hospitals?
- ii. What is the influence of interpersonal relationships on employee performance at public hospitals?
- iii. What is the influence of incentives on employee performance at public hospitals?
- iv. To what extent does hierarchical levels moderate the relationship between organizational climate and employee performance at public hospitals?

1.6 Significance of the study

Management of public hospitals would possibly find the discoveries of this study advantageous in managing its employees. It provides an understanding on the influence of organizational climate on employee performance. Therefore, the management of public hospitals should be able to improve its policies and practices to enhance employee performance.

Employees should also benefit from the study. They would understand how organization climate affects their performance. This helps them to learn to adjust and appreciate the organization climate to improve their performance.

Policy makers greatly benefit from research findings; they are in a position to clearly understand how employee performance is affected by the climate in

the organization. The policy makers should devise strategies to guide organizations to improve organizational climate and employee performance.

Researchers and academicians should also benefit since the findings improves their understanding on ways performance of employees is affected by organizations climate. It would also add insight and understanding on the topic of organizational climate and its influence on employee performance. It should also act as foundational basis for citation in forthcoming researches.

1.7 Scope of the study

The goal of the study was to examine the relationship between organizational climate and employee performance at public hospitals. Specifically, the study sought to examine the influence of working conditions, interpersonal relationships and incentives on employee performance; and the possibility of a moderating effect by hierarchical level on the relationship between organizational climate and performance. The study geographical scope was The study was limited to level 4 public hospitals in Makueni County, Kenya. The study was conducted between November 2019 and August 2020.

1.8 Summary

This chapter covered the study background, introduced the concept of organizational climate and employee performance. It also presented the problem statement of the study which clearly describes the research gap to be filled by this study. The study objectives and the research questions to be answered have been presented as has been the scope and significance. The next chapter presents the literature review which covers the theoretical framework, empirical review, conceptual framework and research gaps.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is a review of literature on the influence of organizational climate on employee performance. Specifically, it presents a theoretical review, an empirical review of the literature, identified research gaps and the conceptual framework.

2.2 Theoretical Review

The theoretical foundation for this study was Maslow's hierarchy of needs and Herzberg's two factor theory. These theories guide the study in examining the influence of organizational climate on employee performance at public hospitals.

2.2.1 Maslow's Hierarchy of Needs Theory

Abraham Maslow tried to decipher what inspired individuals. Maslow (1963) postulated that people were driven to achieve certain needs; whereas a few needs were given precedence over others. Maslow maintains that employees have a systemic sequence in which they satisfy their basic needs and when the need is fulfilled they proceed to satisfy the next one and the process continues. The theory of needs is currently at play even today. This theory is influential in understanding individual motivation (Maslow, 1963; Truong, 2012), training (Maslow, 1963; Pendleton & Robinson, 2017) and personal growth (Maslow, 1963; Truong, 2012). The case illustrated by Maslow, is that managers could drive motivation in an organizational setting through realizing the employees wants and prioritizing the most important needs to them. Employees needs are structured in a hierarchical manner and once a lower level need is achieved the employer then proceeds to the next need in the hierarchy. (Maslow, 1963; Tay & Diener, 2011).

According to Maslow's theory, it is difficult for managers to successfully apply a single motivation strategy toward enhancing the level of productivity of

employees. For managers to capitalize on employees' performance, it is imperative for the job design to meet their social and personal requirements as well as provide financial rewards (Maslow, 1963; Pendleton & Robinson, 2017). Although Maslow's theory provides significant insights concerning motivation and organizational productivity, it has drawbacks (Maslow, 1963; Tay & Diener, 2011). Critics contend that the usage of Maslow's theory is challenging as different employees have diverse perceptions about their needs. The employees also have numerous associations between their needs and motivators. For instance, financially motivated employees believe earning power as a significant attribute to their self-esteem resulting in their need to increase their earning capabilities. Contrary, extrinsically motivated employees, perceive financial remunerations as simply cash aimed at meeting their security needs. These employees aspire to attain more than monetary gains.

Maslow reasoned that the lowest-level needs must be met to progressively drive individuals to scale the hierarchical ladder to satisfy their highest level of need, such as self-actualization (Maslow, 1963). As indicated by the theory, the lowermost level of unmet needs in the hierarchy is the prime inspiration of conduct. On the chance that when this level is fulfilled, needs at the following level in the hierarchy will begin to spur conduct positively (Pendleton & Robinson, 2017). Therefore, it is assumed that at higher professional hierarchy, there is a high likelihood that more basic needs have been met and consequently, these basic needs cease to be motivators for those individuals. Supervisors must therefore endeavour to recognize individual representative needs and cultivate work job satisfaction. In the event that they do so, individuals will progress towards self-actualization, thus improving the organization simultaneously.

This theory was adopted by Rintari (2019) in establish the relationship between organisational climate dimensions and performance. Matui and Ragui (2019) used Herzberg's two-factor theory to determine organizational

climate and performance in firms. Bushiri (2014) adopted this theory to determine the impact of working environment on employees' performance.

In relation to the study, the employee needs in the theory include safety and belonging. Safety in the organization will comprise providing a safe working environment for employees while belonging is ensuring that employees maintain good relationships. Therefore, the theory helped in explaining the effects of interpersonal relationships and working conditions on employee performance.

2.2.2 Herzberg two factor theory

According to Herzberg's (1957) two factor theory, the organizations primary interest is to satisfy the employee's needs. Centred on this approach, organizations need to understand that employee motivation is significantly affected by their attitude towards work. The theory holds that employees' mentality towards work is controlled by the work circumstances that characterize how they feel about their positions. As per Herzberg (1957), the perspectives that advance employee motivation contrast from those that cause their job dissatisfaction, suggesting that satisfaction cannot be considered as an inverse of dissatisfaction. Employee motivation is impacted by the capacity of the organization to meet their physiological and psychological needs, (Herzberg, 1957; Bushiri, 2014). The former alludes to financial remunerations that supports employees to pay for their essential needs like shelter and sustenance, while the latter alludes to variables like working conditions that endorse employee career advancement. Employee satisfaction is determined by intrinsic or motivating factors while dissatisfaction results from hygiene factors or extrinsic motivators (Herzberg, 1957; Wirawan, 2014).

Herzberg claims that the extrinsic motivating factors have no impact on employee satisfaction but their absence results into dissatisfaction. These components incorporate pay, professional stability among other advantages. Extra motivation to work harder is provided by intrinsic motivators which include involvement in decision-making and recognition (Hertzberg, 1957;

Adenike, 2011). Both the extrinsic and intrinsic motivators are autonomous with the end goal such that the presence of one factor doesn't influence the other. The Two factor theory maintains for optimal employee productivity the organization needs to ensure both the hygiene and motivating factors are present at the work place. Therefore, organizations should configure jobs to appeal to the employees (Herzberg, 1957; Suranto & Lestari 2014). Features such as job enlargement are beneficial in advancing employee motivation as they are offered varied tasks that decrease repetitiveness. Moreover, the employees are emboldened to make decisions about their positions, which then motivates them further (Herzberg, 1957; Cole, 2004).

Although the two-factor theory imparts insightful inputs on employee motivation and productivity, critics contest its relevancy in organizations. This theory presumes that job satisfaction leads to increased employee productivity, which is false. In spite of this flaw, organizations have been able to observe through their employees that motivation comes from within the employees and is based on the working conditions, (Herzberg, 1957; Wirawan, 2014). As indicated by Herzberg's theory, the extrinsic variables do not create employee satisfaction and performance, but their manifestation epitomizes a prerequisite for motivators to produce their effects. The absence of intrinsic variables (motivators) establishes dissatisfaction and their presence in employees' work represents a source of work motivation and satisfaction (Stroh, North craft, & Neale, 2002).

This theory was used by Rintari (2019) in establish the relationship between organisational climate dimensions and performance. Matui and Ragui (2019) used Herzberg's two-factor theory to determine organizational climate and performance in firms. Bushiri (2014) adopted this theory to determine the impact of working environment on employees' performance.

In relation to the study, managers ought to bear in mind both the hygiene and motivating factors in organizations when structuring jobs in the organization. This then ensures the employees are presented with opportunities for career

advancement as they achieve the organizational goals. Therefore, organization climate is determined by both the hygiene and motivating factors. In this study, hygiene factors (work conditions and interpersonal relationships) and motivators (incentives) will be examined to establish their influence on employee performance. This theory explains the effects of working conditions and interpersonal relationships on employee performance.

2.2.3 Theoretical Framework

This framework shows the relationship between theories and the conceptual framework

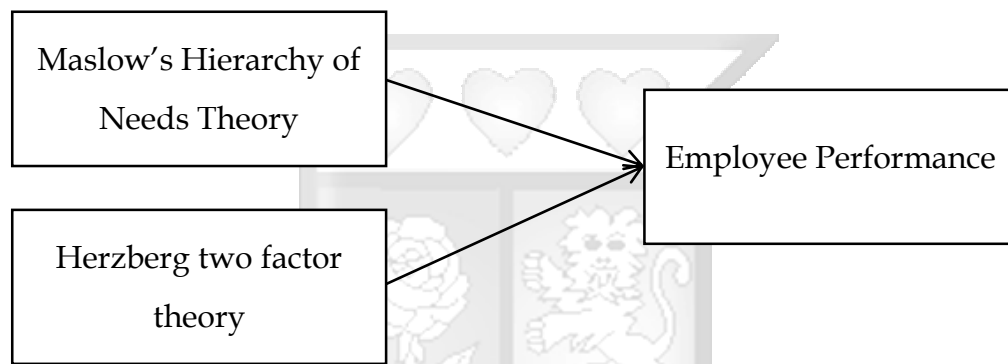


Figure 2.1: Theoretical Framework

2.3 Organizational Climate and performance: An empirical review of the literature

According to Glisson and Green (2011) there are five dimensions to organizational climate. Interpersonal relationship between employees is one of them and this determines trust, climate based on cooperation and competition, relationship quality among different departments of an organization, and attitude towards newly employed staff. Organizational hierarchical nature, nature of work-either boring or challenging, and focus on employee support and incentives are other dimensions. Employees can be motivated, and their spirituality improved through appropriate organization climate; it can also enhance individual's participation in decision making, and enhanced innovation. Thus, slight transformation in various departments will result in significant change in employee performance.

Wirawan (2014) explained that the climate of an organization affects organizational behaviour as well employee behaviour which in turn influences organizational performance. An organization can only achieve enhanced performance if its climate is good. In an analysis by Stone *et al.*, (2016) on the link between climate of an organization and the intentions of ICU nurses to leave found that satisfactory climate made sure that the workforce was stable and qualified. García, Castillo and Santa-Bárbara (2013) considered the organizational climate of nurses working in public and private hospitals. They allege that the attributes of human resource and the board significantly affect the view of the organization. According to Laschinger (2014) organizational climate and management style in certain organizations may cause nurses to feel disempowered: demotivated, powerless to accomplish the desired activities and frustrated with the work environment. Also, in Egypt Zayan, Reizian and Hamouda (2013) sought to evaluate the connection between the organizational climate and nurses' job outcomes and found a positive association between them.

Burnout and job dissatisfaction are work related outcomes that are instigated by an unhealthy work environment. (Aiken *et al.*, 2011). Contrariwise, nurses who see their workplace as being encouraging and pleasant are bound to display positive practices and great performance (Wolf, Dulmus & Maguin, 2012). Moreover, Ghasemi and Keshavarzi (2014) added that an appropriate organizational climate prompts employee innovation and inspiration in the organization and has a positive role in achieving the organizational objectives.

Liou and Cheng (2010) did an evaluation on organisational climate, organisational commitment and intention to leave amongst hospital nurses in Taiwan and found that nurses were generally satisfied with their hospital's climate and yet claimed low commitment to their organisation and, nevertheless, reported low intention to leave their job. Single nurses were more satisfied with their hospital's climate and were more committed to their hospital and had a lower intention to leave their job compared to married nurses. Nurses working in district hospitals perceived a better hospital climate

and had a lower intention to leave than nurses working in teaching or regional hospitals. Staff nurses perceived a better organisational climate than did nurse managers. Organisational climate, organisational commitment and intention to leave were intercorrelated.

Lerro, Carlucci and Schiuma (2012) focused on evaluating organisational climate through IC lens: the case of a public hospital. It was noted that that analysing organization climate according to an IC based perspective supports the planning of management initiatives aimed to improve climate and its components and, in turn, the “value” embedded in services outcomes. Wienand et al (2007) reviewed organisational climate in Italian public healthcare institutions. It was established that organisational climate affect quality of service and organisational commitment, and general organisational climate can influence perception of safety climate, and these influence safety performance through their effects on knowledge and motivation.

Davidson (2000) focused on organisational climate and its influence upon performance. This analysis described organisational climate within the sample to be composed of 7 underlying dimensions; leader facilitation and support, professional and organisational esprit, conflict and ambiguity, regulations, organisation and pressure, job variety, challenge and autonomy, workgroup co-operation, friendliness and warmth, and job standards. Poor support was found for the first structural model that proposed that employee demographic variables would affect organisational climate and that organisational climate would affect customer satisfaction.

Castro and Martins (2010) studied the relationship between organisational climate and employee satisfaction. The results indicated a strong positive correlation between organisational climate and the dependent variable of job satisfaction. Boudrias et al., (2010) researched on empowering employees: The moderating role of perceived organisational climate and justice. Supervisor empowering managerial practises (SEMPs) were more positively related to

behavioural empowerment when perceptions of organisational supportive climate and justice were higher.

2.4 Empirical Review

An appraisal of the empirical literature available on the influence of organizational climate on employee performance is covered in this section. Specifically, the section reviews the relationship between working conditions, interpersonal relationships, incentives and performance of employees at public hospitals in Makueni County, Kenya. The section also captures the moderating effects of hierarchical levels on the relationship between organizational climate and employee performance.

2.4.1 Working conditions and employee performance

Hsiao and Lin (2018) studied effects of work conditions as well as competence of newly graduates on salary, expertise and level of satisfaction. Data collection was done from 2009 graduates of Taiwan University where SEM was applied in analysing data. Working conditions and competence of employees were found to be strongly related. Also, competence of employees had positive and significant relationship with salary, job expertise and level of satisfaction. Nonetheless, work conditions negatively and significantly affected by salary. Lastly, job expertise positively and significantly affected by salary and job satisfaction, but salary did not significantly affect work satisfaction. This study failed to establish how working conditions affected employee performance, which is the aim of the current study. Alves and Guirardello (2016) investigated the connection between nursing work environment, patient safety and quality of care at a paediatric hospital. The study presumed that the professional practice environment at health institutions impact the quality of care provided to patients.

Bushiri (2014) studied ways in which work environment affected performance of employees. The study was conducted in Dar es Salaam at institution of financial management. 50 respondents were selected and issued with questionnaires. Working environment was found to affect performance levels

of employees. Employee performance could also improve if the institution addressed the challenges raised by respondents. The study was based on profit making organization whose operating environment is different from that of public hospitals.

Manu (2015) researched on ways work environment affected employee productivity among government institutions. The study was conducted in Obuasi municipal assembly. Survey design was used where data was collected from municipality employees. Data collection tool was questionnaire and the findings showed that aspects of working environment significantly influenced productivity in the organization. The study further established that the municipality provided its employees with the best social work environment, but the psychological environment provided was not conducive. Furthermore, work environment was found to significantly influence employee productivity within the municipality. This was a case study; therefore, generalization of the research findings to other institutions is not possible.

In Ethiopia, Waktola (2014) examined the relationship between the climate of an organization and the level of commitment of its employees. The findings showed that organizational commitment of employees and organizational climate were significantly and positively related. The study used trust, autonomy, support, reward, fairness, and teamwork to measure organizational climate and all these factors were found to positively and significantly relate with commitment. The study also measured commitment using affective and normative measures where both had significant influence on commitment but insignificant with countenance commitment.

Kiberenge and Nambuswa (2015) did a review of ways working environment affects employee performance in TSC, Trans Nzoia County. This was a descriptive study where a census of employees in the organization was used. Selected data collection tool was questionnaire. From the analysed data, it was established that there are some areas in TSC that should be improved to facilitate enhanced organizational and employee's performance. This study

sample size was small and hence its findings cannot be generalized to large population.

2.4.2 Interpersonal relationships and employee performance

Tersoo, Celestine and Ishongi (2018) studied the effect of interpersonal relations practices on productivity in Nigeria Social Insurance Trust Fund (NSITF), Abuja. To answer the research problem, survey research design was adopted, and 197 employees chosen from top management, middle and low cadre officers. The sample was selected using the simple random sampling. The study found a major relationship between interpersonal relations and achievement NSITF, Abuja, and interpersonal relations and workers performance were related. Sample selection was by simple random sampling, this may be prone to errors and manipulation, the current study used a scientific formula to get the sample size.

Nwinyokpugi and Omunakwe (2019) researched on interpersonal work relationships; organizations enhanced productivity; the case of deposit money banks in Port Harcourt. It purposed to examine the link existing between interpersonal relationships at work and productivity in the organization. Study population was 460 employees of the selected banks from which the study selected a sample of 210. Study findings showed that interpersonal relationships at work have a significant influence productivity of the organization. This study was done in deposit money banks; hence their findings cannot be generalized to public hospitals.

Abe and Mason (2016) conducted a research in retail sector of South Africa and sought to determine the role interpersonal relationships play on work performance. This study examined how work performance of employees is affected by their interpersonal relationships. To achieve this objective, the study used mixed method approach. Results obtained established that interpersonal relationships and performance of employees were weakly correlated for supervisors while between subordinates was found to be less significant. Further, the study findings explained the weak relationship and

the dissociation among performance of employees and interpersonal relationships. The study was done in retail sector, which are profit oriented, hence their findings cannot be generalized to public hospitals.

Ngari (2013) did a study on ways employee relations affects performance of organizations among Kenya's private universities. To answer this research problem, the study adopted a descriptive research design. A sample of 80 respondents was used. Questionnaire was the selected data collection tool where data gathered was analysed using SPSS. Results obtained showed that industrial relations, employment practices, and communication of employees affected performance of the organization. From regression findings correlation coefficients obtained suggested that 56.2% of performance can be explained by changes in employee relations. This study was done in private universities and its findings cannot be generalized in public hospitals.

2.4.3 Incentives and Employee Performance

Al Naqbi, Yusoff and Ismail (2018) studied effects of motivation and incentive system on job performance as mediator for public sector organizations in UAE. The research adopted a quantitative approach and data analysis proved incentives and recognition to be significant factors enhancing work performance. The researcher failed to establish how incentives affected employee performance, which was the aim of the current study.

Pendleton and Robinson (2017) researched on the productivity effect of multiple pay incentives. This study examined ways in which combination of incentives at workplace affects productivity of employees. Data used in the study was collected from a survey on employment relations in British workplace; this study focused on establishing if application of multiple incentives were more effective than use of individual incentives. Results established that the effects of individual incentives on productivity were enhanced by sharing of profit through result schemes and not through collective payments. It was also established that sharing of profits enhanced the impact of collective PBR and both groups of incentives were effective as

compared to single individual incentive. Nonetheless, limits exist regarding the numerous incentive schemes that can be effectively combined. There is high possibility that mixed incentives will be more effective in work environment having variety of tasks and discretion of workers; this is because it provides support for the contingency perspective. This study explored how productivity affects multiple pay incentives, while the current study sought to address the effects of incentives on employee performance.

Jakovljevic, Zupan and Coleman (2016) did a study on employee incentive system model. The study was conducted in Croatia among manufacturing companies. To achieve the study objective, quantitative research methodology was applied. Collected data was analysed using descriptive statistics and relationship between variables was assessed using inferential statistics. Findings from data analysis showed that preference of employees was more incentives. Also, aspects of positive organizational climate were low as compared to what its employees expected and much lower than what they considered being minimum requirements for effective job performance and its contributions in achieving organizations objectives. This study utilized case study research design and hence its findings cannot be generalized to other organizations.

Dlamini, Sutherland and Werbeloff (2015) evaluated how work-team performance was affected by hybrid pay incentives. The study was longitudinal in nature and it explores the work performance of individuals receiving hybrid pay incentives where 60% of these incentives were determined by their work performance as a team and the remaining 40% is on their individual performance. The study adopted the time series data and collected information from bulk cash tellers from across 19 centres. From the findings, it was evident that supervisors' hybrid pay incentives were incentivised individually and related with a significant increase in volume, speed and accuracy in processing of deposits by tellers. Empirical results also showed that long-term sustainability led to enhanced performance related with the introduction of incentive structures of hybrid pay among work teams.

This was a longitudinal field study, while the current study was a descriptive survey.

Chepkemoi (2018) studied ways in which performance of employees of Kenya forest service was affected by incentives. This study mainly focused on investigating ways incentives affect employee performance. To answer research objective, descriptive survey design was adopted. There are 8 forest stations in the county and therefore the study targeted all employees in these units. The study used a census of all employees forming a sample of 115 respondents. Selected data collection tool was questionnaires. Descriptive statistics analysed quantitative data. The study findings s that incentives are essential in performance of organizations. The study sample was small and hence cannot be generalized to a larger population.

2.4.4 Hierarchical levels and employee performance

Poe, Zamora and Quinain (2019) conducted a research on performance among teams in hierarchical versus self-managed work teams (SMWT). The study was carried out in Cebu among companies dealing with the manufacture of electronics. The study was cross-sectional in nature and investigated performance based on teams of newly implemented SMWTs against hierarchical work teams that existed and who were doing similar type of work in the company. Results obtained showed that performance of teams was significantly great among teams in SMWTs unlike that of hierarchical work teams. This study was a comparison of the performance between hierarchical and self-managed work teams; however, the current study strives to establish the moderating effect of Hierarchical Levels on the relationship between organizational climate and employee performance in public hospitals.

Kubheka, Kholopane and Mbohwa (2013) researched on ways organizational performance of employees was affected by flattening hierarchies. The study was conducted in South Africa among retail companies. It was established that the introduction of flattening hierarchies is a means through which an organization tries to provide its employees with freedom of being in charge of

their work and also in decision making; it is also a new form of operations in the company (Kubheka *et al.*, 2013). This study, however, despite its interesting results was based on a very small sample and was conducted in profit making organization where the current study was done in public institutions.

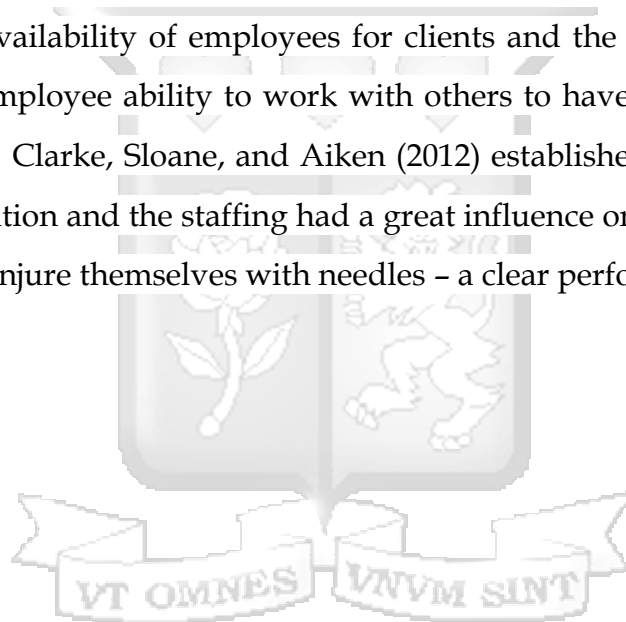
Cantimur, Rink and Van der Vegt (2016) researched the link existing between performance and steepness in hierarchy. Theoretical foundation for this study was the contingency theory and helped assess the steepness of hierarchies in teams. The study used a total of 72 teams selected from diverse areas of business where 438 respondents were selected. Complexity of tasks moderated the link that existed between status hierarchy steepness, various forms of team conflict and performance of teams. It was also established that hierarchies that are steeper have negative relationship with task and process conflict and therefore an increase in performance of teams working on tasks that are less complicated fail to yield clear conflict and effects on performance of teams working on more complicated tasks. This study was centred on teams, while the current study sought to gather information from individual employees.

2.4.5 Employee Performance

Performance shows achievement levels related with policy/program implementation of an organization and they are designed in line with its strategic plans (Moehariono, 2010). Work performance based on quality and quantity obtained by employees when performing their duties and responsibilities is explained to be work performance (Dargahi, Musavi & Shaham, 2013). Generally, performance is considered to be individuals' rate of success over a particular period of time measured using various perspectives such as work performance, organization's objectives and targets and agreed pre-set criteria (Rivai & Basri 2015). Simamora (2004) asserts that performance is level of task achievement that covers the job of an individual. Performance is a reflection of effectiveness of employees in meeting job requirements and

most of the time it is misinterpreted to be the amount of energy used in task completion. Key performance measure is results.

Ma'rifah (2014) asserts that level of employee performance is measures based on work quality measured by tidiness and accuracy, speediness in task completion, work proficiency and skills. Work quality is determined based on target achievement ability or output from newly assigned tasks by employees; Observable knowledge from employees' ability of understanding relevance of competing tasks. To assess reliability, ability and reliability in duty completion in terms of implementation of regulation, initiatives and self-discipline is assessed. It is possible to observe presence by observing routine activities in the office, availability of employees for clients and the number of meetings attended. Employee ability to work with others to have a task completed is cooperation. Clarke, Sloane, and Aiken (2012) established that the climate in the organization and the staffing had a great influence on the probability that nurses will injure themselves with needles - a clear performance issue.



2.5 Research Gaps

Disparities were established in the literature reviewed; especially methodological gaps, empirical gaps and findings. These disparities are indicated in tandem with the targets of the study in table below.

Table 2.1: Research Gaps

Author	Research Topic	Key findings	Methodology	Research gaps
Poe, Zamora and Quinain (2019)	Performance of teams in Hierarchical Versus Self-Managed Work Teams(SMWT's) at Selected Electronics Manufacturing Company in Cebu.	Performance of teams was significantly great among teams in SMWTs unlike that of hierarchical work teams.	The study was cross-sectional in nature and investigated performance based on teams of newly implemented SMWTs against hierarchical work teams	This study focused on team performance in manufacturing company in Cebu while the current study focus is performance of employees in Kenya's public hospitals. The study used cross-sectional research; present study was a descriptive research

<p>Kubheka, Kholopane and Mbohwa (2013)</p>	<p>The Effects of Flattening Hierarchies on Employee Performance in Organizations: A Study of a South African Retail Group</p>	<p>It was established that the introduction of flattening hierarchies is a means through which an organization tries to provide its employees with freedom of being in charge of their work and also in decision making; it was also a new form of operations in the company</p>	<p>Study was South Africa retail companies Sample of 20 companies</p>	<p>Though this study focused on hierarchical levels and employee performance it was conducted in South African Retail Group. The study used a very small sample and was conducted in profit making organization whereas the current study was done in public institutions.</p>
<p>Hsiao and Lin (2018)</p>	<p>The Impacts of Working Conditions and Employee Competences of Fresh Graduates on Job Expertise, Salary and Job Satisfaction.</p>	<p>Working conditions and competence of employees were found to be strongly related. Also, competence of employees had positive and significant relationship with salary, job expertise and level of satisfaction.</p>	<p>Data collection was done from 2009 graduates of Taiwan University SEM was applied in analysing data</p>	<p>This study focused on employee competences while the current study will focus on employee performance. This study failed to establish how working</p>

				conditions affected employee performance, which is the aim of the current study.
Kiberenge and Nambuswa (2015)	Effects of Working Environment on Employees Performance at Teachers Service Commission Trans Nzoia County.	There are some areas in TSC that should be improved to facilitate enhanced organizational and employee's performance.	The study was descriptive research where a census of employees in the organization was used	The focus was on performance of employees at TSC, while the current study focus is on employee performance in public hospitals. This study sample size was small and hence its findings cannot be generalized to large population
Nwinyokpugi and Omunakwe (2019)	Enhancing Organizational productivity by improving	Interpersonal relationships at work have a significant influence productivity of the organization.	It was a case study	It focused on organizational productivity while the current study focus is

	interpersonal relationships at work at Deposit Money Banks in Port Harcourt.			on employee performance. This study was done in deposit money banks; hence their findings cannot be generalized to public hospitals.
Ngari (2013)	Influence of Employee Relations on Organization Performance of private universities in Kenya.	Results obtained showed that industrial relations, employment practices, and communication of employees affected performance of the organization	Target organization was private universities	This study focused on organizations performance while the current study focus is on performance of employee. This study was done in private universities and its findings cannot be generalized in public hospitals.

<p>Al Naqbi, Yusoff and Ismail (2018)</p>	<p>Effects of motivation and incentive system on job performance as mediator for public sector organizations in UAE.</p>	<p>Data analysis proved incentives and recognition to be significant factors enhancing work performance</p>	<p>Study locale was UAE quantitative approach</p>	<p>It is impossible to generalize the findings for the Kenyan case because the study was carried out in UAE The study failed to establish how incentives affected employee performance, which was the aim of the current study</p>
<p>Jakovljevic, Zupan and Coleman (2016)</p>	<p>A case study on the Incentive system of employees of a manufacturing company in Croatia.</p>	<p>Employees preference was mainly monetary. Also, aspects of positive organizational climate were low as compared to what its employees expected and much lower than what they considered being minimum requirements for effective job performance and its</p>	<p>Study locale was Croatia It was a case study quantitative research methodology was applied</p>	<p>The study was conducted in Croatia among manufacturing companies while the focus of present study is public health workers in Kenya. This study utilized case study research design</p>

		contributions in achieving organizations objectives.		and hence its findings cannot be generalized to other organizations.
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2.6 Conceptual Framework

The representation of the dependent and independent variables being investigated in a study in a diagrammatic form is referred to as conceptual framework (Mugenda & Mugenda, 2013). Study's independent variables are working conditions, interpersonal relationships and incentives, while the moderating variable was the hierarchical levels and the employee performance at public hospitals is the dependent.

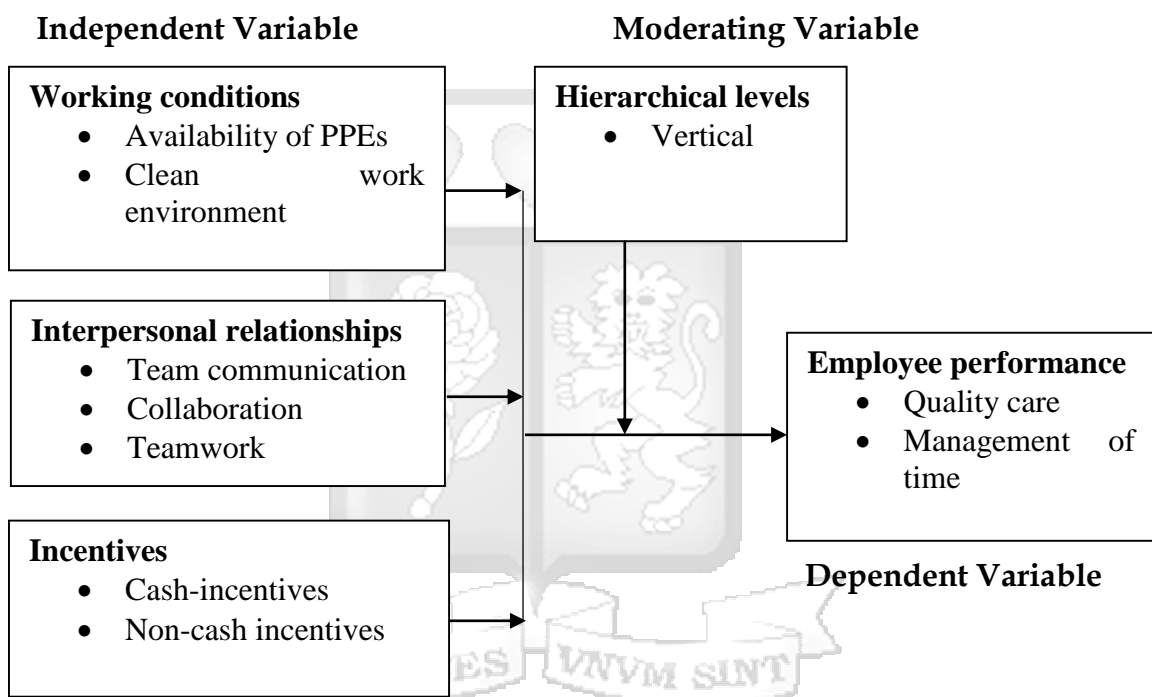


Figure 2.2: Conceptual Framework

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter covers the research methodology used and discusses the research design, study population, sampling technique and sample size, data collection methods, research quality, validity and reliability of the research instrument, data analysis and presentation and ethical considerations.

3.2 Research design

As explained by Brown, Carducci and Kuby (2014) a research design provides an insight on how research should be conducted based on particular methodology. This study will adopt a descriptive survey research design. Creswell (2013) explained that a descriptive survey research design explains a phenomenon accurately and systematically. Through survey research, a researcher is able to collect large data volumes which can be analysed to achieve patterns, averages, and frequencies (Kothari, 2014). This research design mainly focused on finding relationship between variables as they occur naturally without being manipulated in any way. Therefore, descriptive research design is considered appropriate because it helped in establishing the relationship between working conditions and employee performance, interpersonal relationships and employee performance, incentives and employee performance, hierarchical levels and employee performance in public hospitals in Makueni County.

3.3 Study population

A group of elements, individuals or objects selected based on inclusion and exclusion criteria related with the variables being investigated is defined as study population (Yin, 2014). Study locale was Makueni County and focus was on public hospitals. According to Makueni county report there are 6 public hospitals in Makueni County. Employees of public hospitals in Makueni

County were targeted. According to the human resources of the hospitals, the population distribution in as shown in Table 3.1

Table 3.1: Target population

Category	Frequency	Percent
Makueni county referral hospital	254	25
Makindu sub county hospital	195	18
Kibwezi sub-County hospital	96	15
Mbooni sub-County hospital	82	13
Kilungu sub County hospital	85	13
Sultan Hamud sub county hospital	125	16
Total	837	100

3.4 Sampling technique and sample size

The process where small subset of study population is selected to be used in data collection to facilitate estimation of population characteristics and making of statistical inference is said to be sampling (Creswell, 2013). The study selected its sample using stratified random sampling. In this technique of sampling, population grouped into smaller categories without overlapping but ensuring that together they represent the study population. The sample size was proportionately allocated among the strata. Number of elements drawn from the study population is termed as sample size (n) and from the sample; the inference of the entire population is made (Sekaran & Bougie, 2013). Sample size determination was by use of Yamane's formula

The formula is:

$$n = N / [1 + N(e)^2]$$

Where;

n = sample size,

N = population size

e = error term (0.05)

Hence,

$$n = 837 / [1 + 837 (.05)^2] =$$

$$n = 837 / 3.0925$$

$$n = 270$$

From the formula above, the study used a sample of 270 employees, representing 32.34% of study population. This is consistent with recommendtaions by Mugenda and Mugenda (2013), that when the study population is less than 10, 000, a sample size of between 10 and 50% is a good representation of the target population and hence 32.34% is adequate for analysis.

Table 3.2: Sample size

Category	Target Population	Sample Size
Makueni county referral hospital	254	82
Makindu sub county hospital	195	63
Kibwezi sub-county hospital	96	31
Mbooni sub-county hospital	82	27
Kilungu sub county hospital	85	27
Sultan Hamud sub county hospital	125	40
Total	837	270

The sample size was spread across three departments that have the highest workload per day; out-patient, obstetrics' & gynecology and management levels. The questionnaires were then administered to the different cadres working in these departments which included: Nurses, medical officers, clinical officers, and management level staff the health administrative officers, nurse in charge, and the medical superintendents.

3.5 Data Collection Methods

Primary data was used. The questionnaire was the adopted data collection tool. The questionnaire was semi-structured that contained open and closed-

ended questions. Questionnaires were considered to be appropriate data collection tool in this study because they allow a large population of people to be reached with ease and is also economical. Further, questionnaires can be carried out by the researcher or by any number of people with limited affect to its validity and reliability.

The questionnaire was developed in line with the study objectives. The questionnaire had three sections, the first section covered demographic information of respondents, followed by section on independent variables and the third section covered the dependent variable. The questionnaires were disseminated to the respondent by the researcher. Research assistants were also employed to aid in data collection. The respondents were provided one week to finish the questionnaires.

3.6 Research Quality

The study pre-tested the questionnaire before carrying out data collection for the actual study using respondents from the target population who were excluded from the actual study. Sekeran (2013) indicated that pre-test is of great importance because it tests for reliability of research instruments. Pre-testing of questionnaire was done to ensure its reliability and validity. Pre-testing was done on 15 individuals randomly selected at Highway Medical Clinic which is a private hospital in Makueni. This represented 5.5% of the study sample size. A pre-test sample of 1-10% of the sample size as advocated by Mugenda and Mugenda (2008) is adequate. Validity and reliability of the research tool was ascertained. These respondents were omitted from the final study.

3.6.1 Validity of the instrument

The main concern of validity is establishing whether a measurement provides measures for what they were designed measures and also how accurately the data is representative (Mugenda & Mugenda, 2003). Validity implies to how fruitful and refer to the match between contrasts or how a conceptualization of ideas can be done in a study in a definition and data that is conceptual.

There are four areas of validity that should be ascertained: face validity, content validity, construct validity, criterion validity and reliability. Expert assessment of items was used in establishing the face validity of the instrument. Content Validity measures the degree that measurement instrument items are applicable and representative of the target construct. It is determined using Literature review and expert panels or judges. Construct Discriminant validity measures the extent that measurement instrument items are relevant and representative of the target construct while Construct convergent validity the extent that measures of different constructs diverge or minimally correlate with one another. Construct validity were ascertained using Principle Component Analysis (PCA) and Confirmatory Factor Analysis (CFA). Creation validity is assessed by computing correlation analysis.

Content validity was adopted to ensure validity. Based on careful research on the literature reviewed, the content validity was established. Additionally, expertise opinion was sought who in our case were project supervisors and lectures in field of healthcare management. The suggestions they provided aided in the needed revision and modification of the instrument which boosted its validity. Mugenda and Mugenda (2008) indicated that the common process of assessing content validity is to experts in the same field

3.6.2 Reliability of the instrument

Research instruments ability to measures characteristics of interest over time is defined as reliability. It refers to the level to which an instrument produces consistent output after being repeated severally (Shanghverzy, 2003). Reliability and consistency of a test, survey, observation, or any other measuring device are synonymous. For internal consistency, the alpha value is the most important and is the mean of the correlation value of all variables and are not determined by how they are arranged (Anastasiadou, 2006). To increase reliability, items that are similar are added to a measure, also by carrying out the test using a diversified sample and use similar test

procedures. The common use is in relation to whether the measures are diverse for ideas in business are consistent.

This study used Cronbach's alpha. Cronbach coefficient which measures internal consistency was applied. Cronbach's alpha provides the measures of the average items that can be measured and their correlations. The value of alpha range between 0 and 1 with higher values implying high correlation levels among the items, which means consistency. A Cronbach Alpha coefficient of 0.7 and above is an indication of good reliability (Cronbach, 2000). This study adopted a threshold value of 0.70 in establishing the reliability of the instruments.

The findings as shown in Table 3.3 indicate that working conditions has an alpha of 0.821, interpersonal relations has an alpha of 0.912, incentives has an alpha of 0.884, and employee performance has an alpha of 0.769. The results on reliability indicate that the Cronbach reliability alpha of all the questions was greater than 0.7 consequently there was no compelling reason to change the measures and indicators in the inquiries; they were all consistent.

Table 3.3: Reliability analysis

Scale	Cronbach's Alpha	No. of Items
Working conditions	0.821	6
Interpersonal relationships	0.912	7
Incentives	0.884	7
Employee performance	0.769	4

3.7 Data analysis and presentation

Before the data is coded and keyed into SPSS software for analysis, it was first checked for completeness. Descriptive and inferential statistics were used in analysis. Descriptive statistics were used to describe the basic features of the data in a study. Inferential statistics allowed to make predictions ("inferences") from that data. Descriptive statistics such as mean standard deviation, frequencies and percentages were used to analyze quantitative data

collected. Analyzed data was presented using tables and figures. Qualitative data was analysed by use of content analysis.

The study also computed inferential statistics which includes regression and correlation analysis which showed the nature and direction of relationship existing between the variables. The influence of organizational climate on performance of employees was determined by computing multiple regression analysis. The regression model was of the form;

The overall model was $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$before moderating moderating effect of hierarchical levels.....i

To achieve objective 5 which sought to test the moderated multiple regression models was: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 * M + \beta_5 X_5 * M + \beta_6 X_6 * M + \epsilon$after moderating effect of hierarchical levels (ii)

Where

Y = Employee performance

β_0 = regression constant,

$\beta_1, - \beta_3$ = Coefficients,

X_1 is Working conditions

X_2 is Interpersonal relationships

X_3 is Incentives

M= Moderating Variable (hierarchical levels)

3.8 Ethical Considerations

Prior data collection, an ethical clearance was obtained from Strathmore University's Institutional Board. A research permit was also obtained from NACOSTI. Participation of respondents was voluntary; no one was coerced to participate. Confidentiality and privacy of information provided by respondents was assured; this ensures that they give honest and consistent information. In order to ensure anonymity, respondents won't be required to

indicate their identity/names in data collection instrument. Information was available at the university library and database.



CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter presents data analysis, presentation, interpretation, and discussion of findings based on the collected data. Specifically, it covers the response rate, reliability analysis, respondents' general information and the findings based on the objectives of the study. To discuss the findings, the study used descriptive statistics. The strength of the relationship between dependent and independent variables was determined by computing correlation analysis. Regression analysis was also conducted so as to determine the relationships between independent and the dependent variable.

4.2 Response Rate

The selected sample size was 270 respondents out of which 266 filled and returned their questionnaire. The returned questionnaires created a response rate of 72.3%. The response rate was viewed as excellent and appropriate to make inference on the study population because according to Mugenda and Mugenda (2003), a response rate of half (50%) is regarded as sufficient for analysis and reporting, while a rate of 60% is regarded to be acceptable and that of 70% and above is considered excellent. In this study our response rate was above 70% and was considered excellent. The returned questionnaires were utilized for further analysis and reporting.

Table 4.1: Response Rate

Category	Frequency	Per cent
Response	266	98.5
Non-Response	4	1.5
Total	270	100.0

4.3 Demographic Information

The study sought to determine the general information of the selected respondents. The data sought included their gender, span of service in the hospital, highest level of education, job group, management level, and the department they work in.

4.3.1 Gender of Respondents

Figure 4.1 presents the findings obtained.

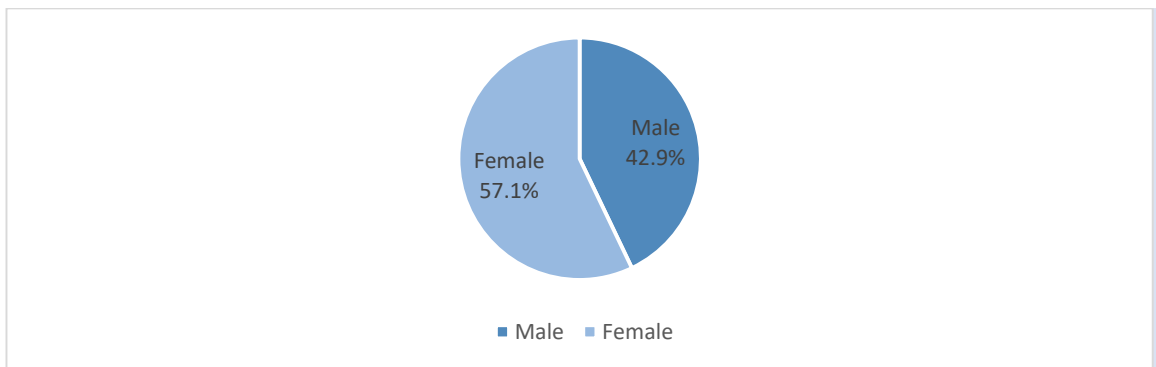


Figure 4.1: Gender of Respondents

The findings in Figure 4.1 demonstrates that 57.1% of the respondents were female while 42.9% were male. The findings also show there was no gender bias in the study because respondents of both genders were dully represented in the study.

4.3.2 Respondents Length of Service in the Organization

Figure 4.2 presents the findings obtained.

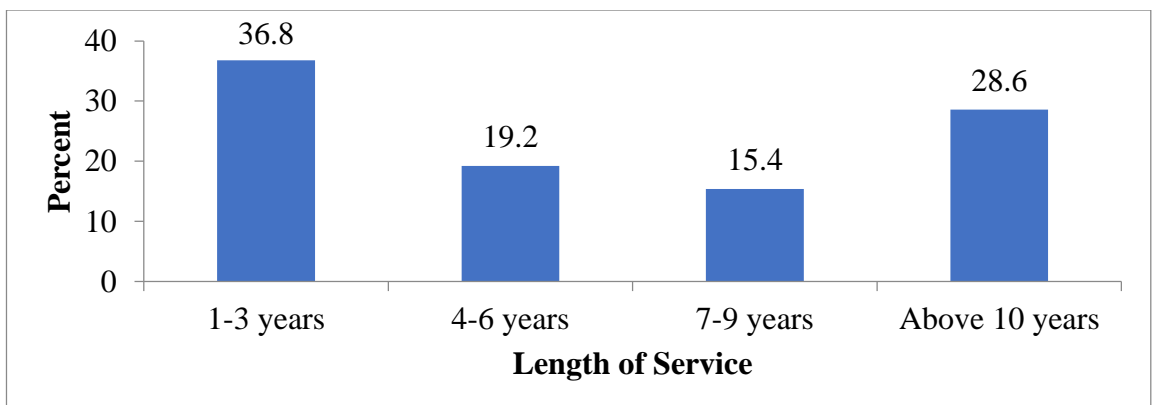


Figure 4.2: Respondents Length of Service in the Organization

The findings show that the selected respondents had worked in the hospitals for varying durations: 36.8% had worked for 1-3 years, 28.6% for above 10 years, 19.2% for 4-6 years, and 15.4% for 7-9 years. This implies that the employees had worked in their organizations long enough to provide the information needed in the study.

4.3.3 Respondents Highest Level of Education

The study sought to determine how educated the selected respondents were. Figure 4.3 presents the findings obtained.

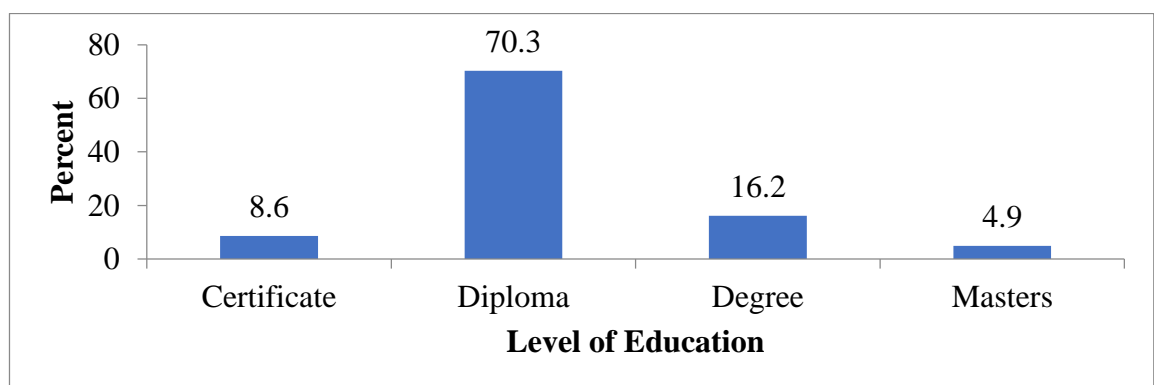


Figure 4.3: Respondents Highest Level of Education

The findings in Figure 4.3 show that the selected respondents had different levels of education. Majority (70.3%) had diploma, 16.2% had degree, 8.6% had certificate, and 4.9% had masters. This implies that employee hired in the public hospitals have different education qualifications.

4.3.4 Respondents Job Group

The findings obtained were as presented in Figure 4.4.

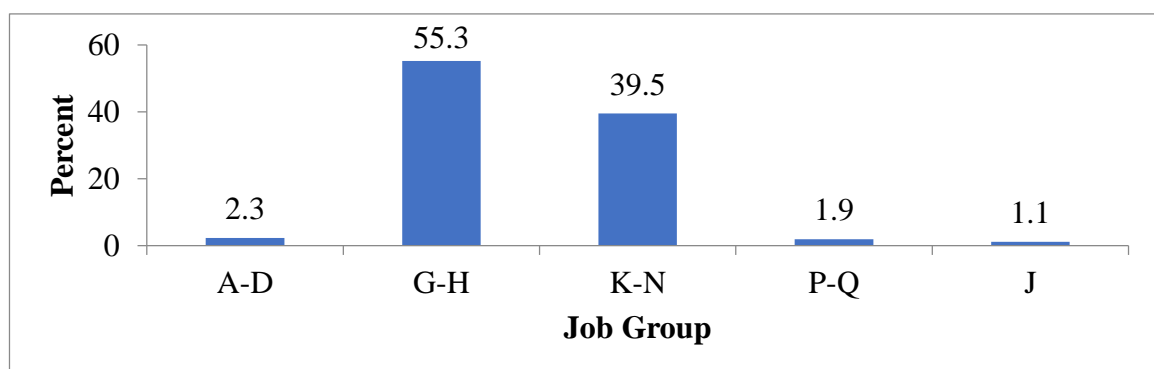


Figure 4.4: Respondents Job Group

The findings in Figure 4.4 show that the selected respondents were from different job groups. Majority (55.3%) respondents were of job group G-H, 39.5% were group K-N, 2.3% were in group A-D, 1.9% were in P-Q job group, and 1.1% in job group J. This implies that employee from different job groups participated in the study.

4.3.5 Respondents Management Level

Figure 4.5 presents the findings obtained.

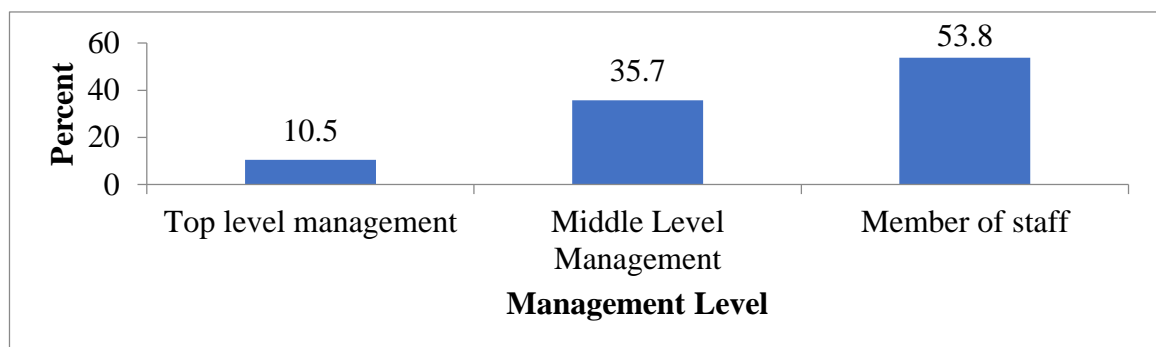


Figure 4.5: Respondents Management Level

As seen in Figure 4.5, majority (53.8%) of the respondents were 'ordinary' members of staff, 35.7% were middle level management, and 10.5% were top level management. The management level employees selected were medical superintendent, matrons and health administrative officers. This implies that employees from different management levels participated in the study.

4.3.6 Respondents Work Department

The findings are presented in Figure 4.6.

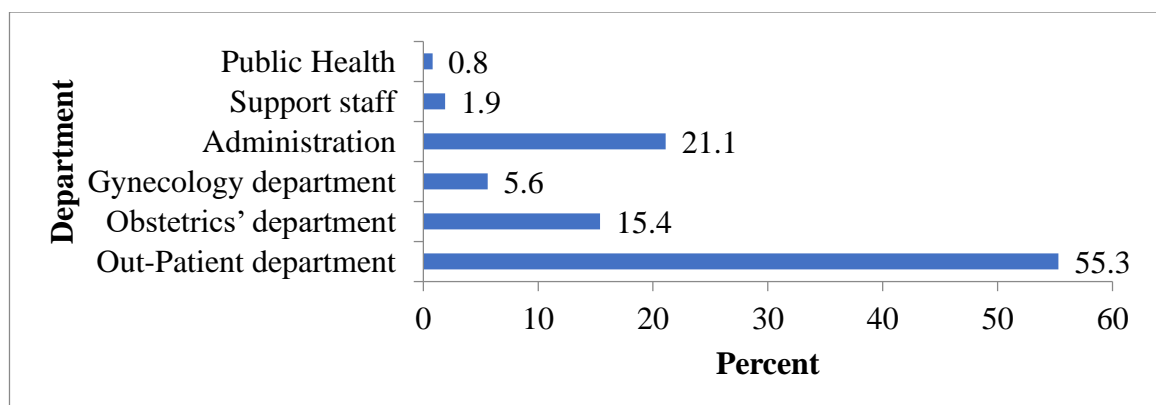


Figure 4.6: Respondents Work Department

The findings show that 55.3% of the respondents operated in the out-patient department, 21.1% in administration, 15.4% in Obstetrics' department, 5.6% in Gynecology department, 1.9% were support staff and 0.8% were in public health department. This implies that employees from different work departments participated in the study.

4.3.7 Respondents Job Designation

The findings obtained are presented in Figure 4.7.

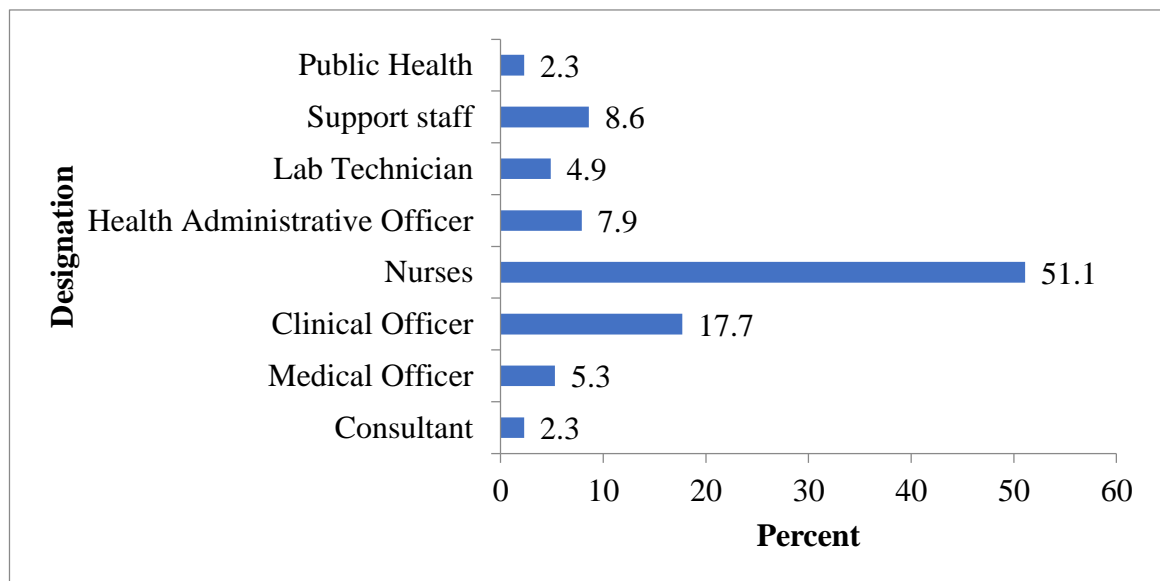


Figure 4.7: Respondents Job Designation

The findings show that the selected respondents had different designation in the hospital. 51.1% of the respondents were nurses, 17.7% were clinical officers, 8.6% were support staff, 7.9% were health administrative officers, 5.3% were medical officers, 4.9% were lab technicians, 2.5% were public health and another 2.5% were consultants. This implies that employees from different job designations participated in the study.

4.4 Descriptive Statistics

The study presents the findings from the respondents on the various variables of interest. The respondents gave their level of agreement or disagreement with the statements using a 5-point Likert scale, where: Scale 1- strongly disagrees, 2 - disagree, 3- moderate, 4- agree, 5- strongly agree. The results were interpreted using mean and standard deviations. The mean values of 0-

1.45 suggested strongly disagree, 1.5-2.45 meant disagree, 2.5-3.45 was neutral, 3.5-4.45 suggested they agreed, and 4.5 to 5.0 was strongly agree. A standard deviation value greater than two implied a high standard deviation and therefore suggesting that the respondents had varied opinions. However, if it is less than two it means the standard deviation is low and therefore the respondents had agreeing opinions.

4.4.1 Working Conditions

Respondents established their level of agreement with various statements on the following statements about the extent to which working conditions influence their performance. Table 4.2 presents the findings obtained.

Table 4.2: Descriptive Statistics on Working conditions

	N	Min.	Max.	Mean	Std. Dev.
The management ensures that information is properly communicated in the organization	266	1.00	5.00	3.8797	1.01340
Employees maintain good relationships with their colleagues	266	1.00	5.00	3.8759	1.12754
The organization ensures that safety measures are put in place in the workplace	266	1.00	5.00	3.6842	.99712
Employee are provided with flexible working hours	266	1.00	5.00	3.5188	1.12335
The employee is provided with enough space to undertake their tasks	266	1.00	5.00	3.4248	1.11761
Employees are provided with the resources they need to perform their tasks	266	1.00	5.00	3.4173	.94904

The findings in Table 4.2 demonstrate that the mean values range between 3.5 and 4.45 an indication that the respondents had moderate opinion on some statements and agreed on others. The standard deviation values are also below two, an indication that the responses did not deviate much from the mean. Specifically, the findings show that the respondents agreed that the management ensures that information is properly communicated in the organization (M=3.8797, SD=1.01340); employees maintain good relationships with their colleagues (M=3.8759, SD=1.12754); the organization ensures that

safety measures are put in place in the workplace (M=3.6842, SD=.99712); employee are provided with flexible working hours (M=3.5188, SD=1.12335). The findings also show that the respondents had moderate opinion on the idea that the employee is provided with enough space to undertake their tasks (M=3.4248, SD=1.11761); and that employees are provided with the resources they need to perform their tasks (M=3.4173, SD=.94904).

4.4.2 Interpersonal Relationships

Respondents gave their level of agreement with various statements on the influence of interpersonal relationships on employee performance. The findings were as presented in Table 4.3.

Table 4.3: Descriptive Statistics for Interpersonal Relationships

	N	Min.	Max.	Mean	Std. Dev.
Interpersonal relationships allow effective communication between employees	266	1.00	5.00	3.9962	.98861
Interpersonal relationships enhance understanding among employees	266	1.00	11.00	3.9699	1.06711
Interpersonal relationships improve decision-making in the organization	266	1.00	5.00	3.9586	1.07202
Employees helps each other in their tasks	266	1.00	5.00	3.9511	.97199
Employees work together as big team	266	1.00	5.00	3.8797	1.03914
Interpersonal relationships enhance employee satisfaction	266	1.00	5.00	3.8195	1.04852
Employee solve problems among themselves	266	1.00	5.00	3.7256	1.01492

From the findings in Table 4.3, the mean value range between 3.5 and 4.45 an indication that on average the respondents concurred with the different explanations on the influence of interpersonal relationships with their performance. Also, the responses did not deviate very much from the mean values since the standard deviation values were below two. Specifically, the respondents agreed that interpersonal relationships allow effective communication between employees (M=3.9962, SD=.98861); interpersonal relationships enhance understanding among employees (M=3.9699,

SD=1.06711); interpersonal relationships improve decision-making in the organization (M=3.9586, SD=1.07202). They also agreed that employees help each other in their tasks (M=3.9511, SD=.97199); employees work together as big team (M=3.8797, SD=1.03914); interpersonal relationships enhance employee satisfaction (M=3.8195, SD=1.04852); and that employee solve problems among themselves (M=3.7256, SD=1.01492).

4.4.3 Incentives

Respondents gave their level of agreement on various statements about the extent to which incentives influence their performance. Table 4.4 presents the findings obtained.

Table 4.4: Descriptive Statistics for Incentives

	N	Min.	Max.	Mean	Std. Dev.
Incentives motivates employees to work hard	266	1.00	5.00	3.3872	1.52107
The organization has an incentive system	266	1.00	5.00	2.6767	1.27115
Employees are given incentives from time to time	266	1.00	5.00	2.6203	1.28951
Employees are given non-monetary incentives	266	1.00	5.00	2.3684	1.28840
Employees are given monetary incentives	266	1.00	5.00	2.3233	1.32351
Employees are satisfied with the incentives they are given	266	1.00	5.00	2.3083	1.32141
Employees are given bonuses	266	1.00	5.00	1.8835	1.26995

In Table 4.4, the mean value ranged between 1.5 and 3.45 an indication that respondents disagreed and had neutral opinions on various statements about incentives. Also, the responses did not deviate very much from the mean values because the standard deviation values were below two. Specifically, the respondents had neutral opinion on incentives motivating employees to work hard (M=3.3872, SD=1.52107); the organization has an incentive system (M=2.6767, SD=1.27115) and that employees are given incentives from time to time (M=2.6203, SD=1.28951). The findings also show that the respondents disagreed that employees are given non-monetary incentives (M=2.3684,

SD=1.28840); employees are given monetary incentives (M=2.3233, SD=1.32351); employees are satisfied with the incentives they are given (M=2.3083, SD=1.32141) and that employees are given bonuses (M=1.8835, SD=1.26995).

4.4.4 Employee performance

Respondents gave their level of agreement on the following statements about their performance. Table 4.5 presents the findings obtained.

Table 4.5: Descriptive Statistics for Employee Performance

	N	Min.	Max.	Mean	Std. Dev.
Employee provide quality work	266	1.00	5.00	4.0789	1.06637
Employee's absenteeism has reduced	266	1.00	5.00	4.0414	1.05069
Employee's productivity has improved	266	1.00	5.00	4.0301	.98241
Employee's report to work at the right time	266	1.00	5.00	3.8947	1.15751

The findings in Table 4.5 show that the mean values were above 3.5 and below 4.5 an indication that on average, the respondents agreed with the various statements on their performance. The findings also show that the standard deviation values were small (<2) an indication that the responses did not deviate very much from the mean. Specifically, the respondents agreed that employee provide quality work (M=4.0789 SD=1.06637); employee's absenteeism has reduced (M=4.0414, SD=1.05069); employee's productivity has improved (M=4.0301, SD=.98241); and that employee's report to work at the right time (M=3.8947, SD=1.15751).

4.5 Inferential Statistics

The study computed regression and correlation analysis which showed the nature and direction of relationship existing between the variables.

4.5.1 Correlation Analysis

Correlation analysis was computed to establish the relationship between the variables. The correlation coefficient values range from (-1 to 1) where a value of 0 implies that there is no relationship existing between the two variables

under consideration; weak correlation is if it's between (0.0 - 0.39); moderate is if it is between (0.40 -0.59), and strong if it's above 0.6 (Cooper & Schindler, 2013). The study conducted Pearson Product moment correlation analysis. Using the correlation coefficient, the study tested whether interdependency existed between the predictor variables and also whether there was any relationship between the response variable employee performance and predictor variables (organizational climate).

Table 4.6: Correlations

		Employee performance	Working conditions	Interpersonal	Incentives
Employee performance	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	266			
Working conditions	Pearson Correlation	.652**	1		
	Sig. (2-tailed)	.000			
	N	266	266		
Interpersonal relationships	Pearson Correlation	.629**	.223**	1	
	Sig. (2-tailed)	.000	.000		
	N	266	266	266	
Incentives	Pearson Correlation	.615**	.445**	.398**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	266	266	266	266
**. Correlation is significant at the 0.01 level (2-tailed).					

The findings in Table 4.6, working conditions and employee performance are strongly and positively related ($r=0.652$, $p=0.000$); interpersonal relations and employee performance are also seen to have a strong positive relationship ($r=0.629$, $p=0.000$) and incentives and employee performance have a strong positive and significant relationship ($r=0.615$, $p=0.000$). The relationship between the dependent and the independent variables were strong and significant. These findings therefore suggest that the independent variables (working conditions, interpersonal relations and incentives) significantly influence employee performance at public hospitals in Makueni County,

Kenya. The correlation findings also show the relationship between the independent variables. From the findings, interpersonal relationship and working conditions had weak relationship ($r=0.223$). Incentives and working conditions are also seen to have significant but moderate relationship ($r=0.445$). The findings also show that incentives have a weak relationship with interpersonal relationships ($r=0.398$). These findings suggest that the independent variables have weak and moderate relationship among each other. Consequently, this implies that there is weak multicollinearity between the independent variables and therefore the data meets the assumption for multicollinearity and therefore regression analysis can be computed.

4.5.2 Multiple Regression Analysis

The influence of organizational climate on performance of employees was determined by computing multiple regression analysis. The findings were introduced in three tables exhibited as sub segments here-under.

4.5.2.1 Model Summary

The summary was used to show the variation in employee performance as a result of change in working conditions, interpersonal relations and incentives. The results were presented in Table 4.7.

Table 4.7: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.780 ^a	.608	.603	.54443
a. Predictors: (Constant), Incentives, Interpersonal relationships, Working conditions				

Correlation coefficient (R) shows the relationship between variables. If the value is 0 it suggests there is no relationship while a value of 1 suggests that they are perfectly related. A value of ± 0.5 and above showed that the relationship between the variables was strong. The findings show that the R value is 0.780, an indication that the variables are strongly and positively related. From the R-squared value, it can be seen that there was 60.3%

variation of employee performance as a result of change in working conditions, interpersonal relations and incentives. The remaining 39.7% suggest there are other factors affecting performance of employees that were not included in this study.

4.5.2.2 Analysis of Variance

To determine the significance of the data used in the study, the study computed ANOVA. Significance level selected was 5%.

Table 4.8: ANOVA

Model	Sum of Squares	Degree of Freedom	Mean Square	F	Sig.
Regression	120.341	3	40.114	135.334	.000 ^b
Residual	77.658	262	.296		
Total	197.999	265			
a. Dependent Variable: Employee performance					
b. Predictors: (Constant), Incentives, interpersonal relationships, Working conditions					

From the ANOVA table, the p-value for the data is 0.000 which suggests significance. Since the p-value was less than the selected level of significance i.e. 0.05, it implies that the data was ideal for making conclusion on the influence of incentives, interpersonal relationships, and working conditions on employee performance. The F-critical value is obtained from the f distribution table while the F calculated value is from the ANOVA table. The F critical value (2.639) was less than F calculated (135.334) value. Since the calculated value was greater than critical value it implied that, working conditions, interpersonal relations and incentives significantly influenced employee performance. The model was considered to be significant because the significance value was less than selected level of significance (≤ 0.05).

4.5.2.6 Beta Coefficients of the Study Variables

The model demonstrated the relationship between organizational climate on performance of employees. The model was as follows; $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \varepsilon$.

Where: Y = Employee performance; β_0 = regression constant, $\beta_1, - \beta_4$ = Coefficients, M is Hierarchical levels; X_1 is Working conditions; X_2 is Interpersonal relationships and X_3 is Incentive

Table 4.9: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.432	.184		2.349	.020
	Working conditions	.342	.057	.310	6.027	.000
	Interpersonal relationships	.299	.051	.292	5.815	.000
	Incentives	.379	.046	.361	8.232	.000

a. Dependent Variable: Employee performance

Based on the coefficients findings in Table 4.9, the fitted regression model was;

$$Y = 0.432 + 0.342 X_1 + 0.299 X_2 + 0.379 X_3 + \epsilon$$

From the findings, working conditions is statistically significant to employee performance ($\beta = 0.342, P = 0.000$). Also, working conditions significantly and positively related with employee performance. Thus, increasing working conditions by a single unit would lead to an increase in employee performance at public hospitals by 0.342 units. This suggests that working conditions positively and significantly influences employee performance at public hospitals.

Interpersonal relationships are statistically significant to employee performance ($\beta = 0.342, P = 0.000$). Also, interpersonal relationships significantly and positively related with employee performance. Therefore, increasing interpersonal relationships by a single unit would lead to an increase in employee performance at public hospitals by 0.342 units. This suggests that interpersonal relationships have a positive significant influence on employee performance at public hospitals.

Lastly, incentives are statistically significant to employee performance ($\beta = 0.379, P = 0.000$). It is also seen that incentives significantly and positively

related with employee performance. Therefore, increasing incentives by a single unit would lead to an increase in employee performance at public hospitals by 0.379 units. This suggests that incentives have a positive significant influence on employee performance at public hospitals.

4.6.3 Moderated Regression Analysis

To examine the moderating effect of hierarchical levels on the relationship between organizational climate and employee performance at public hospitals, the study computed moderated regression analysis. The moderating variable was hierarchical levels. Three hierarchical levels were considered i.e. top-level management, middle level management and members of staff.

4.6.3.1 Model Summary-Moderated

Model summary was used to show the variation in employee performance as a result of change in moderated working conditions, interpersonal relations and incentives. The results were presented in Table 4.10.

Table 4.10: Model Summary for Moderated Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Top-management	.623 ^a	.388	.312	.53765
Middle-Management	.817 ^a	.668	.657	.48152
Members of Staff	.786 ^a	.618	.610	.57815
a. Predictors: (Constant), Incentives, Interpersonal relationships, Working conditions				

From the findings in Table 4.10, for top management level employees, 31.2% variation in their performance could be explained by changes in working conditions, interpersonal relations and incentives. For middle-level management, 65.7% of their performance could be explained by changes in working conditions, interpersonal relations and incentives. For members of staff, 61% of their performance could be explained by changes in working conditions, interpersonal relations and incentives. These study findings reveal

that hierarchical level moderates the effect of working conditions, interpersonal relations and incentives on employee performance.

4.5.3.2 Analysis of Variance for Moderated Regression Analysis

ANOVA was used to test whether the models developed were significant. Significance of the models were tested at 5% level of significance.

Table 4.11: ANOVA for Moderated Regression

Model		Sum of Squares	Df	Mean Square	F	Sig.
Top-management	Regression	4.402	3	1.467	5.076	.007 ^b
	Residual	6.938	24	.289		
	Total	11.339	27			
Middle-Management	Regression	42.509	3	14.170	61.113	.000 ^b
	Residual	21.099	91	.232		
	Total	63.608	94			
Members of Staff	Regression	75.203	3	25.068	74.994	.000 ^b
	Residual	46.462	139	.334		
	Total	121.665	142			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Incentives, Interpersonal relationships, Working conditions						

From the findings in Table 4.11, all the models had p-values below 0.05. Management level model had $p=0.007$, and middle level and members of staff models had $p=0.000$ each. These findings suggest that all the three models were significant. Top-management model had F-calculated value of 5.076; middle level had value of 61.113; and members of staff a value of 74.994. Their respective F-critical values were 3.009, 2.705, and 2.670. These findings show that the F-calculated values for each model were greater than the f-critical values, an indication that the moderation effect of hierarchical levels on the relationship between working conditions, interpersonal relations and incentives on employee performance, was statistically significant.

4.6.3.3 Beta Coefficients for Moderated Regression Analysis

Table 4.12: Coefficients for Moderated Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
Top-management	(Constant)	0.619	0.166		3.729	.028
	Working conditions	0.358	0.168	0.367	2.131	.043
	Interpersonal relationships	0.337	0.091	0.284	3.703	.037
	Incentives	0.222	0.104	0.257	2.135	.044
Middle-Management	(Constant)	0.364	0.101		3.604	.025
	Working conditions	0.139	0.061	0.119	2.279	.032
	Interpersonal relationships	0.501	0.086	0.47	5.826	.000
	Incentives	0.373	0.064	0.397	5.828	.000
Members of Staff	(Constant)	0.413	0.125		3.304	.021
	Working conditions	0.452	0.082	0.404	5.512	.000
	Interpersonal relationships	0.202	0.069	0.201	2.928	.004
	Incentives	0.385	0.071	0.335	5.423	.000

a. Dependent Variable: Employee performance

From the findings on top-management level model, the following regression equation was fitted;

$$Y = 0.619 + 0.358 X_1 + 0.334 X_2 + 0.222 X_3 + \epsilon$$

All the independent variables had p-values less than 0.05, an indication that they were all having significant influence on employee performance. Also, the beta values for each variable were positive implying that the variables had positive influence on performance of top-management level employees at public hospitals in Makeni County. This therefore suggests that employee's hierarchical level (Top-level management) has positive significant influence on employee performance.

For middle level management employees, the following model was fitted;

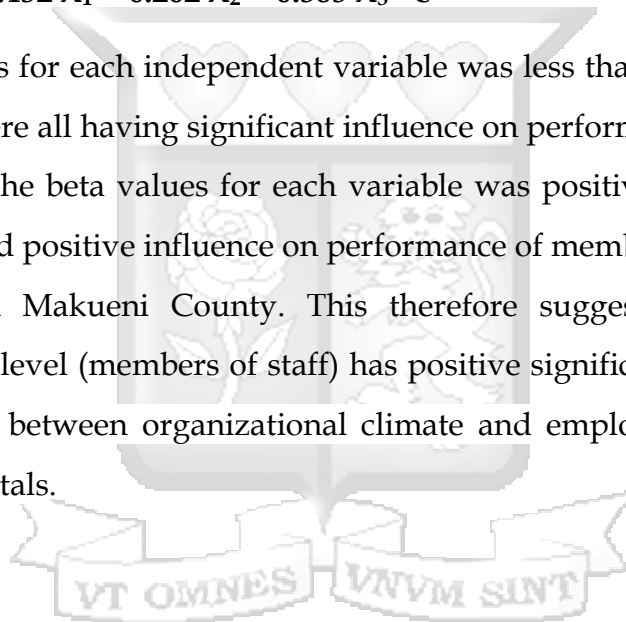
$$Y = 0.364 + 0.139 X_1 + 0.501 X_2 + 0.373 X_3 + \epsilon$$

All the independent variables had p-values less than 0.05, an indication that they were all having significant influence on performance of middle level management employees. Also, the beta values for each variable were positive implying that the variables had positive influence on performance of middle level management employees at public hospitals in Makueni County. This therefore suggests that employee's hierarchical level (middle-level management) has positive significant influence on the relationship between organizational climate and employee performance at public hospitals.

Lastly, the model for middle level staff was;

$$Y = 0.413 + 0.452 X_1 + 0.202 X_2 + 0.385 X_3 + \epsilon$$

The p-values for each independent variable was less than 0.05, an indication that they were all having significant influence on performance of members of staff. Also, the beta values for each variable was positive implying that the variables had positive influence on performance of members of staff at public hospitals in Makueni County. This therefore suggests that employee's hierarchical level (members of staff) has positive significant influence on the relationship between organizational climate and employee performance at public hospitals.



CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the study presents summary of findings, conclusions drawn and recommendations made there-to. Conclusions and recommendations were made in line with the objectives of the study.

5.2 Discussions

The study presented discussion of findings based on the specific objectives. The study was guided by the following specific objectives; to examine the relationship between working conditions and employee performance at public hospitals; to examine the effects of interpersonal relationships on employee performance at public hospitals; to assess the effects of incentives on employee performance at public hospitals and to examine the moderating effect of hierarchical levels on the relationship between organizational climate and employee performance at public hospitals.

5.2.1 Assessing the effect of Working Conditions on employee performance

The first objective of the study was to examine the relationship between working conditions and employee performance at public hospitals. The study found that working conditions is statistically significant to employee performance. Also, working conditions was seen to significantly and positively relate with employee performance. Therefore, increasing working conditions by a single unit would lead to an increase in employee performance at public hospitals. This suggests that working conditions positively and significantly influences employee performance at public hospitals. The finding concurs with those of Bushiri (2014) that working environment was found to affect performance levels of employees.

The study also found that the management ensures that information is properly communicated in the organization; employees maintain good relationships with their colleagues; the organization ensures that safety

measures are put in place in the workplace; employees are provided with flexible working hours. The study also established that the respondents had moderate opinion on the idea that the employee is provided with enough space to undertake their tasks; and that employees are provided with the resources they need to perform their tasks. The study findings concur with Bushiri (2014) that employee performance could improve if the institution addressed the challenges raised by respondents and if they provided its employees with the best social work environment and psychological environment provided was not conducive. In addition, working conditions and competence of employees were found to be strongly related.

Respondents suggested that there is need to have continuing medical education (CMEs) meeting to have updates and discussions. It is also important for the institution to implement updates and feedback from training. Some of the employees at hospitals in Makueni County face the challenge of having un-conducive toilets and this affects their performance. When they are provided with good working conditions, their performance will improve. Some of the ways performance can be improved is through providing good working environment like building fences to keep away intruders like herders and passers-by. There is also the challenge of small rooms limiting privacy and negatively affecting employee performance. Another major challenge is shortage of staff; this is because it causes burnout among employees because they are forced to work for long hours.

Performance can also be enhanced through good communication from top level management. Good medical health insurance can also enhance performance. There are factors in hospitals that affect employee performance. This includes inadequate medical equipment's and lack of enough commodities in the facility. Service delivery is also affected by lack of some equipment such as diagnostic sets which makes it difficult to diagnose/treat patients effectively. If employees request working tools and the management provides through procurement it enhances their performance and work morale. Providing employees with tea breaks can boost their morale and

enhance their performance. Staff motivation practices should also be considered and support from the supervising management.

The findings concur with Bushiri (2014) who found work environment to affect performance levels of employees. Manu (2015) indicated that the aspects of working environment significantly influenced productivity in the organization. Waktola (2014) established that organizational commitment of employees and organizational climate were significantly and positively related

5.2.2 Interpersonal Relationships and performance

The second objective of the study was to examine the effects of interpersonal relationships on employee performance at public hospitals. The study found that interpersonal relationships are statistically significant to employee performance. Also, it was established that interpersonal relationships significantly and positively related with employee performance. Therefore, increasing interpersonal relationships by a single unit would lead to an increase in employee performance at public hospitals. This suggests that interpersonal relationships have a positive significant influence on employee performance at public hospitals. The study findings agree with Nwinyokpugi and Omunakwe (2019) that interpersonal relationships at work have a significant influence productivity of the organization.

The study also found that interpersonal relationships allow effective communication between employees; interpersonal relationships enhance understanding among employees; interpersonal relationships improve decision-making in the organization. Also, the study found that employees helps each other in their tasks; employees work together as big team; interpersonal relationships enhance employee satisfaction; and that employee solve problems among themselves. These study findings concur with Ngari (2013) that industrial relations, employment practices, and communication of employees affected performance of the organization. Also, interpersonal relationships at work have a significant influence productivity of the

organization. When employees in the company have good interpersonal relationships then their performance will improve.

Bad interpersonal relationships could affect service delivery because there is no optimum cooperation between affected parties. Good interpersonal relationships could improve performance because it boosts understanding levels, builds team work at place of work, helps in achieving maximum output by helping improve understanding in an organization and also help in problem solving and also encourage dialogue. Also, it helps build conducive working environment which is responsible for reducing work related stress. It also improves skills for performing various tasks/procedures.

Other benefits of having good interpersonal relationships are that it aids in decision making and offering quality work. Interpersonal relationship creates a sound working environment; it helps in improving quality services, makes work easier, reduces work stress, and ensures work is done efficiently and effectively. They also added that interpersonal relationship can be improved if each employee makes sure there is enough respect when interacting with other staff. The management should also provide social support and mental support at all times especially in times of need. This is a form of support for one another and will help members discharge their duties to maximum.

The findings concur with Tersoo, Celestine and Ishongi (2018) who found a major relationship between interpersonal relations and achievement and interpersonal relations and workers performance were related. Abe and Mason (2016) established that interpersonal relationships and performance of employees were weakly correlated for supervisors while between subordinates was found to be less significant.

5.2.3 Assessing the effect of Incentives on performance

The third objective of the study was to assess the effects of incentives on employee performance at public hospitals and to examine. The study found that incentives are statistically significant to employee performance. It was also established that incentives significantly and positively related with

employee performance. Therefore, increasing incentives by a single unit would lead to an increase in employee performance at public hospitals. This suggests that incentives have a positive significant influence on employee performance at public hospitals. The finding agrees with findings of Chepkemai (2018) that incentives are essential in performance of organizations.

The study further found that the respondents had neutral opinion that incentives motivate employees to work hard; the organization has an incentive system and that employees are given incentives from time to time. The study also found that the respondents disagreed that employees are given non-monetary incentives; employees are given monetary incentives; employees are satisfied with the incentives they are given and that employees are given bonuses. The study findings agree with Pendleton and Robinson (2017) that the effects of individual incentives on productivity were enhanced by sharing of profit through result schemes and not through collective payments. It also concurs with Dlamini, Sutherland and Werbeloff (2015) that supervisors' hybrid pay incentives were related with a significant increase in volume, speed and accuracy in processing of deposits by tellers. Also, long-term sustainability led to enhanced performance related with the introduction of incentive structures of hybrid pay among work teams.

Respondents also gave other ways in which incentives affected their performance. They explained that when their payments are delayed, they are demoralized and demotivated which negatively affects their performance. They complained that there are times when their pays are delayed up to a year. They indicated that in their organization non-monetary incentives such as tea breaks are ignored yet they can really enhance performance. Another challenge they face is poor terms of work/service which makes it impossible for them to achieve targets. They suggested also the need for the organization to have timing reporting documentation that can help in rewarding those employees who keep time. They added that when they receive incentives, they are motivated and become punctual with working times and are even willing

to work over time. Incentives promotes good working conditions improves self-initiative, improves morale, motivate employees to improve performance. The findings are related to those of Al Naqbi, Yusoff and Ismail (2018) whose findings proved incentives and recognition to be significant factors enhancing work performance. Jakovljevic, Zupan and Coleman (2016) established that preference of employees was more incentives.

5.2.4 Moderating Effect of Hierarchical Levels on the Relationship between Organizational Climate and Employee Performance

The final objective of the study was to examine the moderating effect of hierarchical levels on the relationship between organizational climate and employee performance at public hospitals, the study computed moderated regression analysis. The model summary findings found that for top management level employees, 31.2% variation in their performance could be explained by changes in working conditions, interpersonal relations and incentives. For middle-level management, 65.7% of their performance could be explained by changes in working conditions, interpersonal relations and incentives. For members of staff, 61% of their performance could be explained by changes in working conditions, interpersonal relations and incentives. These study findings reveal that hierarchical level moderates the effect of working conditions, interpersonal relations and incentives on employee performance.

The study also found from ANOVA findings that management level model had $p=0.007$, and middle level and members of staff models had $p=0.000$ each. These findings suggest that all the three models were significant. Also, the findings showed that the F-calculated values for each model were greater than the f-critical values, an indication that the moderation effect of hierarchical levels on the relationship between working conditions, interpersonal relations and incentives on employee performance, was statistically significant.

The study further established that on top-management level model, all the independent variables had p-values less than 0.05, an indication that they were

all having significant influence on employee performance. Also, the beta values for each variable were positive implying that the variables had positive influence on performance of top-management level employees at public hospitals in Makueni County. This therefore suggests that employee's hierarchical level (Top-level management) has positive significant influence on employee performance.

For middle level management employees; all the independent variables had p-values less than 0.05, an indication that they were all having significant influence on performance of middle level management employees. Also, the beta values for each variable were positive implying that the variables had positive influence on performance of middle level management employees at public hospitals in Makueni County. This therefore suggests that employee's hierarchical level (middle-level management) has positive significant influence on the relationship between organizational climate and employee performance at public hospitals.

Lastly, the model for middle level staff was; the p-values for each independent variable was less than 0.05, an indication that they were all having significant influence on performance of members of staff. Also, the beta values for each variable was positive implying that the variables had positive influence on performance of members of staff at public hospitals in Makueni County. This therefore suggests that employee's hierarchical level (members of staff) has positive significant influence on the relationship between organizational climate and employee performance at public hospitals.

The findings concur with those of Kubheka, Kholopane and Mbohwa (2013) who indicated that introduction of flattening hierarchies is a means through which an organization tries to provide its employees with freedom of being in charge of their work and also in decision making; it is also a new form of operations in the company. While Cantimur, Rink and Van der Vegt (2016) established that hierarchies that are steeper have negative relationship with task and process conflict and therefore an increase in performance of teams

working on tasks that are less complicated fail to yield clear conflict and effects on performance of teams working on more complicated tasks.

5.3 Conclusions

The first objective of the study was to examine the relationship between working conditions and employee performance in public hospitals. The study established that working conditions is statistically significant to employee performance. Also, working conditions positively related with employee performance. Therefore, increasing working conditions by a single unit would lead to an increase in employee performance in public hospitals. Based on these findings, the study concluded that working conditions positively and significantly influences employee performance in public hospitals.

The second objective of the study was to examine the effects of interpersonal relationships on employee performance in public hospitals. From the findings, interpersonal relationships are statistically significant to employee performance. Also, interpersonal relationships positively related with employee performance. Therefore, increasing interpersonal relationships by a single unit would lead to an increase in employee performance in public hospitals. From these study findings, the study concludes that interpersonal relationships have a positive significant influence on employee performance in public hospitals.

The third objective of the study was to assess the effects of incentives on employee performance in public hospitals. The study findings showed that incentives are statistically significant to employee performance. It was also established that incentives positively related with employee performance. Therefore, increasing incentives by a single unit would lead to an increase in employee performance in public hospitals. Based on these study findings, the study concludes that incentives have a positive significant influence on employee performance in public hospitals.

The final research objective was to examine the moderating effect of hierarchical levels on the relationship between organizational climate and

employee performance in public hospitals. The study found that changes in working conditions, interpersonal relations and incentives affects middle level management more, followed by members of staff and lastly top-level management. The study also found that working conditions, interpersonal relations and incentives significantly influenced employee performance in all hierarchical levels. Also, at all hierarchical levels, the variables had significant influence on employee performance. Based on these study findings, the study concludes that hierarchical level is a positive significant influence on the relationship between organizational climate and employee performance in public hospitals.

5.4 Recommendations

Working conditions were found to positively influence employee performance. The study thus recommends management of public hospitals in Makueni County to ensure that they provide employees with conducive working environment. This includes ensuring that they have enough working space and that they have conducive toilets since that was their major issue. Also, hospitals should ensure that safety of employees is ensured by providing them with the necessary PPEs (Personal protective equipment's). There is also need to ensure that good communication channels are developed so that employees can communicate their issues and provide their suggestion on ways that can help better their work performance.

Interpersonal relationships were found to positively influence employee performance. The study recommends hospitals to have strategies that can help improve interpersonal relations like having team building. The management should also provide social support and mental support at all times especially in times of need. This is a form of support for one another and will help members discharge their duties to maximum. The management of hospitals should encourage employees to show respect for one another and establish the art of good listening.

Incentives were found to have positive influence on employee performance. Most of the employees complained that there were no incentives provided. The study thus recommends management of the hospitals to provide its employees with incentives; this will motivate them and boost their morale thus enhancing their performance levels. Hospitals have neglected the non-cash incentives; the study recommends hospitals to provide also non-cash incentives. This includes simple things like providing employees with tea breaks and also providing them with annual leaves since most of them complained that they did not get the same.

5.5 Suggestions for Further Studies

The general objective of the study was to examine the influence of organizational climate on employee performance at public hospitals in Makueni County, Kenya. The study recommends replication of the research study in other counties in the country to allow generalization of research findings. The study focused on three aspects of organizational climate, thus there is need for other studies to be conducted on other aspects like the leadership style. The study also recommends the replication of the research study in public institutions and private organisations.



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APPENDICES

Appendix I: Introductory letter

Dear respondent

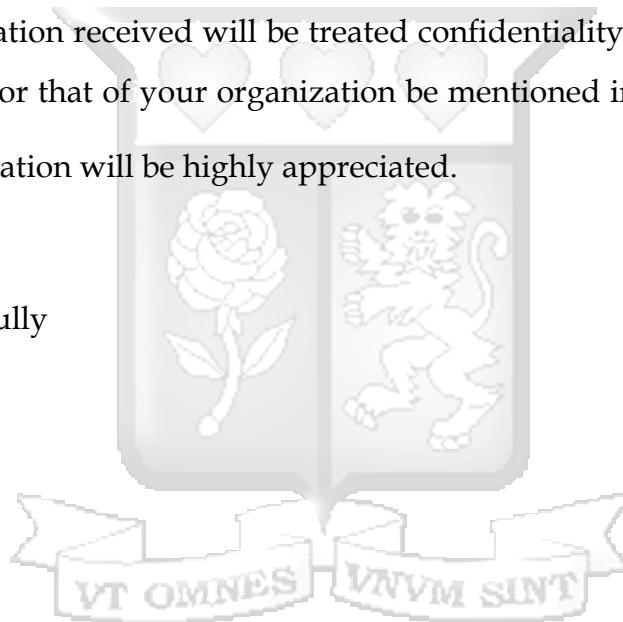
RE: RESEARCH DATA COLLECTION

I am a postgraduate student at the Strathmore University, undertaking a research project on, '**INFLUENCE OF ORGANIZATIONAL CLIMATE ON EMPLOYEE PERFORMANCE IN PUBLIC HOSPITALS IN MAKUENI COUNTY, KENYA**'. The data being collected is purely for academic purposes.

Any information received will be treated confidentiality and at no point will your name or that of your organization be mentioned in the final report.

Your cooperation will be highly appreciated.

Yours faithfully



Appendix II: Participant Information and Consent Form

INFLUENCE OF ORGANIZATIONAL CLIMATE ON EMPLOYEE PERFORMANCE IN PUBLIC HOSPITALS IN MAKUENI COUNTY, KENYA

INFORMATION SHEET

Investigator: Shyreen Khalid

Institutional affiliation: Strathmore Business School (SBS)

This study is carried out in partial fulfilment of the requirements for award of the degree of master of business administration. The study also aims to add to the literature on influence of organizational climate on employee performance.

The respondents will be allowed to participate in the study at their own will. Those who will agree to participate will fill in the questionnaire. The participants will be allowed to withdraw from the study in case they feel uncomfortable.

All individuals in the out-patient, obstetrics' & gynaecology departments and management levels can take part in the study.

The respondents will be requested to participate in the study; those who are willing to take part in the study will sign the consent form. The respondents will be briefed on the purpose of the study and what is required of them when answering the questionnaire.

The study will not have any risks since it will be purely for academic purposes.

The information provided will be beneficial as managers in the public hospitals will be able to understand the importance of organization climate on employee performance. The employees will also be able to understand how organization climate affect their performance. This will help in improving employee performance in the public hospitals.

No one will be coerced to participate in the study. Every participant will do so at their own will. The study is voluntary. No penalties will come as a result of non-participation. Those who may discontinue participation will not be penalised. You may skip questions that you don't feel comfortable answering.

The information will be available at the University library and database and will be purely confidential.

In case of further questions, you can contact;

Student's Name; Shyreen

E-mail..... Phone.....

Supervisor's Name at Strathmore Business School

E-mail..... Phone.....

For independent questions contact;

The Secretary-Strathmore University Institutional Ethics Review Board, P. O. BOX 59857, 00200, Nairobi, email ethicsreview@strathmore.edu Tel number: +254 703 034 375

I, _____, agree to participate in the study since I understand what is required of me.

Signature.....

Date.....

I, _____, consent that have explained what the study is all about to the participant. Any further clarification is welcomed.

Signature.....

Date.....

Appendix III: Questionnaire

Part A: Demographic information

1. Kindly indicate your gender.
Male
Female
2. How long have you been working in the hospital?
1-3 years
4-6 years
7-9 years
Above 10 years
3. What is your highest level of education?
Certificate
Diploma
Degree
Masters
4. Kindly indicate your job group.
A-D
E-H
I-L
M-Q
R-T
5. What is your level of management in the organization?
Top level management
Supervisor
Junior staff
6. Which department do you work at?
Out-Patient department
Obstetrics' department
Gynecology department

NB: In the following sections you are required to use the scale of 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree.

Part B: Working conditions

7. What is your level of agreement on the following statements about the extent to which working conditions influence your performance?

Statements	1	2	3	4	5
Employee are provided with flexible working hours					
The management ensures that information is properly communicated in the organization					
The organization ensures that safety measures are put in place in the workplace					
Employees are provided with the resources they need to perform their tasks					
The employee is provided with enough space to undertake their tasks					
Employees maintain good relationships with their colleagues					

8. How else does working conditions influence your performance?

.....

Part C: Interpersonal relationships

9. To what extent do you agree with the following statements about how interpersonal relationships influence employee your performance:

Statements	1	2	3	4	5
Employees work together as big team					
Employee solve problems among themselves					
Employees helps each other in their tasks					
Interpersonal relationships allow effective communication between employees					
Interpersonal relationships enhance understanding among employees					

Interpersonal relationships enhance employee satisfaction					
Interpersonal relationships improve decision-making in the organization					

10. How else do interpersonal relationships influence your performance?

.....

Part C: Incentives

11. What is your level of agreement on the following statements about the extent to which incentives influence your performance?

Statements	1	2	3	4	5
The organization has an incentive system					
Employees are given incentives from time to time					
Employees are given monetary incentives					
Employees are given non-monetary incentives					
Employees are given bonuses					
Incentives motivates employees to work hard					
Employees are satisfied with the incentives they are given					

12. How else do incentives influence your performance?

.....

Part D: Employee performance

13. What is your level of agreement on the following statements about your performance?

Statements	1	2	3	4	5
Employee's report to work at the right time					
Employee's absenteeism has reduced					
Employee's productivity has improved					
Employee provide quality work					

THANK YOU