

REWARD SYSTEMS AND EMPLOYEE
SATISFACTION IN NYERI COUNTY
REFERRAL HOSPITAL, KENYA

NDUNG'U JOSHUA MBURU
B211-02-0024/2014

A Thesis Submitted to the School of Business
Management and Economics in Partial Fulfillment
of the Requirements for the award of the Degree
of Master in Business Administration of Dedan
Kimathi University of Technology

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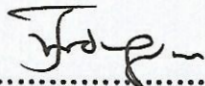
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November, 2016

DECLARATION

This thesis is my original work and to my knowledge has not been presented for award of a degree in any other University.

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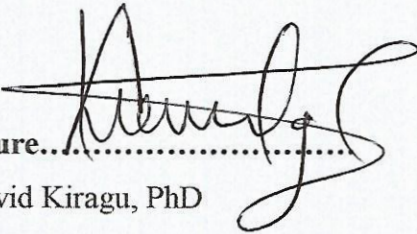
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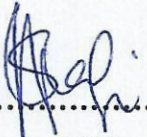
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This thesis has been submitted with our approval as the University supervisors.

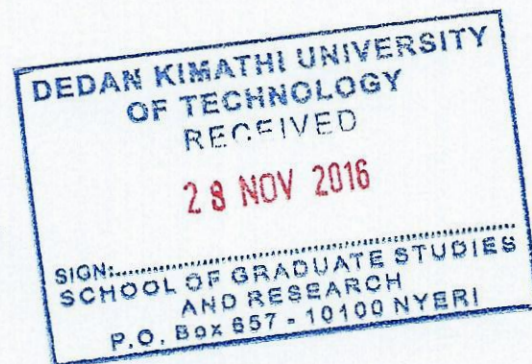
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ABSTRACT

The main objective of this study was to assess the effect of reward systems on employee job satisfaction in the Nyeri County Referral Hospital. This is in view of the fact that, although Nyeri county public health sector has been performing quite well in terms of doctor to population ratio (1: 5,000) as compared to the national average (1:25,000), it still not up to the level set by World Health Organization(1:423) and as envisaged by the Kenyan constitution. The specific objectives were to find out the effect of extrinsic rewards on employee satisfaction, to establish the effect of intrinsic rewards on employee satisfaction and to investigate the effect of social rewards on employee satisfaction in the Nyeri County Referral Hospital. Data was collected through stratified random sampling and in terms of duration cross-sectional approach was adopted. The research was conducted through self administered questionnaires to doctors, clinical officers and nurses in Nyeri County Referral Hospital. The target population for this study was the 284 medical staffs, consisting of had 22 doctors 28 clinical officers and 235 nurses, from Nyeri Referral Hospital. The sample size consisted of 85 respondents. The study achieved a response rate of 84.7%. Frequencies and percentages were generated from the data and presented using frequency distribution tables while bivariate and multiple linear regression analysis was done to establish the nature and significance relationship between independent variables and the dependent variable in the study. The results indicated that extrinsic rewards had a positive but insignificant effect on employee satisfaction when considered singly but had a positive and significant effect when combined with other factors. Both intrinsic rewards and social rewards had a positive and significant effect on employee satisfaction when considered singly and in combination with other factors in the Nyeri County Referral Hospital. The study recommends that Nyeri County Referral Hospital should strengthen all the rewards as there was a weak relationship between them and employee satisfaction. Cooperation between the national government and county government should be strengthened so that employee files can be availed to the county to fast track the promotion process. This study recommends that future researchers should consider the following areas. First, it is suggested that a study focusing on the effect of various types of reward systems on employee satisfaction in private hospitals should be put into consideration. Secondly, this study considered three variables, namely intrinsic, extrinsic and social rewards. Future researchers should also focus on combinations of other factors, other than rewards, that affect employee satisfaction in Nyeri County Referral Hospital. Future work should also consider researching on sources of satisfaction for employees of Nyeri County Referral Hospital. Finally, future researcher should also find out the challenges that Nyeri County Referral Hospital faces in implementing extrinsic, intrinsic and social rewards.