

Influence of Strategic Human Resource Innovation Practices on Employee Performance at National Hospital Insurance Fund, Nakuru Branch, Kenya

Kariuki, Michelle Wambui¹, Kwasira, Josphat²

¹*School of Entrepreneurship, Procurement and Management, Jomo Kenyatta University of Agriculture and Technology, Kenya*

²*Nakuru CBD Campus, Jomo Kenyatta University of Agriculture and Technology, Kenya*

Corresponding Author: Kariuki, Michelle Wambui

Abstract: *Health systems mostly in the developing countries are faced with the challenge of dissatisfaction by patients in terms of their health care experience in that they want more information and a higher degree of quality services. This creates the need to improve the 'system' through which health services are delivered. One way to improve this is by recognizing the role played by employees which calls for new approaches while recruiting, training and retaining the labor force. Management have to come up with a number of innovation practices in order to have a relevant system of employee performance. Such practices include work life balances and online recruitment practices. In order to enhance the understanding of the mentioned variables, the study employed resource- based view theory and ability, mobility opportunity theory. In addition, the study adopted a descriptive research design. Census design was employed in the study to gather information from the 60 employees working with the National Hospital Insurance Fund, Nakuru branch. Structured questionnaires were pilot-tested and further administered on the respondents. The data collected were analyzed using descriptive and inferential statistics with the aid of the Statistical Package for Social Sciences version 22 programme. Pearson correlation and multiple regression analyses were conducted. The study results indicated positive correlations between all the independent variables against employee performance. Based on the results of the T-statistics, all the null hypotheses were rejected. It was concluded that online recruitment practices and work life balance influenced employee performance at National Hospital Insurance Fund.*

Keywords: *Employee performance, National Hospital Insurance Fund, online recruitment practices, strategic human resource innovation practices, work life balance*

Date of Submission: 17-10-2017

Date of acceptance: 31-10-2017

I. Introduction

The modern firms cannot effectively operate in the business world if the human force is not well equipped with the latest technology and techniques. This is because, human resource is the key ingredient to any organizational success and failure. Therefore, this calls for the management of any firm to properly train and evaluate the basic need for the human force to improve on their performance. Additionally, firms also need to implement strategies that call for innovation so as to be more successful in responding to the changing environment and in developing new capabilities that allow them to achieve better performance.

It is widely acknowledged that strategic human resource innovation practices are effectively significant in extracting positive work behaviors among employees through motivation, job satisfaction, employee commitment and productivity [1]. However much it is critical, it is difficult to adopt and sustain strategic human resource innovation practices [2] in that, there is still much to be understood about when innovation practices successfully take hold and when they do not.

Strategic human resource innovation practices may have been very well designed, but the question of its effectiveness cannot be answered as it might take days, months and years to find it. Therefore, it is vital to study on strategic human resource innovation practices so as to gain deeper knowledge helpful in sustenance of businesses in this competitive world. The aim of this proposal is to advance the understanding of strategic human resource innovation practices on employee performance at National Hospital Insurance Fund, Nakuru branch, with the intention of aiding researchers and managers in recognizing its benefits and challenges.

Human capital is one of the most critical components of strategic success for many organizations as it deals with employees. Human resource practices are the primary means by which firms can influence and shape the skills, attitudes, and behavior of individuals to do their work thus achieve organizational goals [3]. Researchers have pointed out that by matching human resource innovation practices with strategy, the critical

human resources skills, attitudes, behaviors and performances that are needed to successfully implement strategies can be acquired, developed, motivated and maintained.

Typically, strategic human resource innovation practices bridges business strategy, human resource practices and innovation. It provides a clear focus on implementing strategic change and growing the skill base of the organization to ensure that the organization can compete effectively in the future [4]. Concept of strategic human resource innovation practices is crucial in today's business world in that it has to do with the benefits it generate for both a company's workforce and its human resource team.

Human resources are vital for organizational excellence and they act as the main factor for achieving anticipated organizational objectives. It is true to say that the level of the enterprises' success depends on the performance of the human resource. Within the framework of the professionals, good employee performance mirrors the ability to contribute through their works leading to the behavioral achievement that is in accordance with the goals of the company.

The main objective of strategic human resource is to recruit employees, which is essentially done through interviewing, screening and selecting the most qualified candidates for the organization. This is a far more complex activity than in previous times when human resource team could rely on recommendations from current employees. Therefore, organizations use their human resource departments to select and recruit individuals who are likely to succeed on the job and this should be non-discriminatory.

The management of employees on matters in relation to performance can result in highly complex and emotion-filled decisions. Motivation of the employee is an essential factor that may ensure that employees stay focused on the organization's goals. This includes work-based and external training, employee participation in the organization's decision-making, remuneration, benefits, the physical environment, challenging work, individual growth and personal development among other creative employee performance enhancing approaches [5].

National Hospital Insurance Fund is a State Parastatal that was established in 1966 as a department under the Ministry of Health. The original Act of Parliament that set up this Fund which falls under insurance industry, has over the years been reviewed to accommodate the changing healthcare needs of the Kenyan population, employment and restructuring in the health sector. The transformation of National Hospital Insurance Fund from a department of the Ministry of Health to a state of corporation was aimed at improving effectiveness and efficiency. The fund has a functional human resource department consisting of human resource managers and assistants. This will facilitate effective collection of data while conducting the study.

The mission of National Hospital Insurance Fund is to provide accessible, affordable, sustainable and quality social health insurance through effective and efficient utilization of resources to the satisfaction of stakeholders. The Board of Management is representative of all key stakeholders and is charged with the running of the Fund through policy formulation and decision making on all policy matters. The Chief Executive serves as the secretary to the Board of Management. The Fund's core mandate is to provide medical insurance cover to all its members.

National Hospital Insurance Fund has 61 fully autonomous branches across the country, Nakuru being one of them. Each of these branches has decentralized functions, offering all National Hospital Insurance Fund services with the headquarters being in Nairobi, Kenya. NHIF registers all eligible members from both the formal and informal sector. For those in the formal sector, it is compulsory to be a member. For those in the informal sector and retirees, membership is open and voluntary. Some of the activities related to human resources planning include; exercise of employment rights and housing issues of employees, regulating the legal employment status of persons engaged under non-employment schemes and issuance of the deed of job classification. Practices adopted at National Hospital Insurance Fund include work- life balance, performance related pay and online recruitment through support of a functional website.

II. Statement of the Problem

Following the government's directive (2015) on free maternity healthcare to citizens, and the subsequent passage of NHIF Act (2016), there has been an increase in the number of patients to public hospitals. This has led to a higher number of patient registration in hospitals. A statement made by Dr. Leah Kirumbi, a researcher from KEMRI, challenged the government to pay well and provide special remuneration packages for health workers. To cater for this, a number of strategic human resource innovation practices have to be put in place to ensure an efficient employee performance in terms of service delivery. The recent transformation comes from the innovative strategies contained in the NHIF Act (2016) which also outlines various services the organization makes in order improve the employee performance. The researcher identified some of the practices and they include: telecommuting, online recruitment, work life balance and performance related pay. The fund has also been able to increase the number of hospitals within the county which are accredited for outpatient services. Telecommuting practice was identified majorly because of technological shift in that most organizations are able to be located away from cities to even rural areas where costs of doing business is lower.

This will make it easier for patients to locate National Hospital Insurance Fund satellite offices that are not within Nakuru CBD, (Olenguruone and Molo).

This can only be achieved through having trained employees in Internet Technology. Performance related pay practice which is strategic is put in place so as to contest the statement made by Dr. John Ong'ech, a senior official at Kenyatta National Hospital, about delay and inadequate remuneration to health facilities. Online recruitment practice is also a strategic human resource move which will help the Fund to recruit as many candidates as possible thereby increasing the chances of getting qualified candidates. It is also innovative since it involves the internet which is advantageous in terms of attracting larger audience of candidates than when recruitment is done manually. Work life balance is more of a strategic move and is about creating and maintaining supportive and healthy work environments, which will enable to have balance between work and personal responsibilities and thus strengthen employee productivity and loyalty. In terms of technology, a key benefit that emerges consistently on work life balance is the flexibility mobile technology can offer allowing workers to regulate the location and time of the day in which they conduct their work. All the strategies offer countless benefits to the organization in terms of increased membership and gaining competitive advantage. It is argued that there exist limited number of empirical studies on the influence of strategic human resource innovative practices on employee performance at National Hospital Insurance Fund. This study thus sought to assess the influence of the mentioned strategic human resource innovation practices at National Hospital Insurance Fund in Nakuru.

III. Research Objectives

The study was guided by both the general and specific objectives.

3.1 General objective

To determine the influence of strategic human resource innovation practices on employee performance at National Hospital Insurance Fund, Nakuru branch, Kenya.

3.2 Specific Objectives

- i. To evaluate the influence of online recruitment practices of employee performance at National Hospital Insurance Fund, Nakuru branch.
- ii. To analyze the influence of work- life balance practices on employee performance at National Hospital Insurance Fund, Nakuru branch.

IV. Research Hypotheses

H₀₁: Online recruitment practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

H₀₂: Work –life balance practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

V. Theoretical Review

The study was guided by both the resource based view and ability, mobility and opportunity theories.

5.1 Resource- Based View Theory

Based on the work of Penrose and others, the articulation of the resource based view of the firm certainly signified the first coherent statement of the theory which served as the foundation that was extended by others [6], [7]. The resource based view refers to the concept that each organization is a collection of unique resources and capabilities which is the basis of a firm's strategy and its ability to earn above average returns. Resources are inputs into a firm's production process while capability is the capacity for a set of resources to perform a task or an activity in an integrative manner.

The resource based view (RBV) as a basis for the competitive advantage and performance lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. Empirical evidences also show that firms within the same industry and probably with same position differ in performance. In order to transform a short-run competitive advantage into a sustained competitive advantage, it requires that these resources are heterogeneous in nature and not perfectly mobile. Effectively, this translates into valuable resources that are neither perfectly imitable nor substitutable without great effort [7].

In addition, resource must enable a firm to employ a value-creating strategy, by either outperforming its competitors or reduce its own weaknesses. If a valuable resource is controlled by only one firm, it could be a source of a competitive advantage simply because competitors are not able to perfectly duplicate this strategic asset. A firm should select strategies that best allows it to utilize its resources and capabilities relative to opportunities in the external environment. Resource based view is presented as one perspective that provides a rationale for how a firm's human resources could provide a potential source of sustainable competitive advantage through innovation.

Based on the theory, one can argue that organizations that have the employees' cognitive knowledge gathered through academics act as a drive for innovation [8]. Innovation permits the development of valuable and scarce resources in the organization and strategic human resource innovation practices of an organization have power to determine the inputs, occurrence and sustainable performance of the organization. The reason behind this phenomenon is that the innovative capacity of an organization resides in the intelligence, imagination and creativity of its human resource in terms of innovation inputs.

The relevance of resource base view theory in this study is to expound on developmental strategies that are acquired through unique resources such as human resource and capabilities such as innovation practices which influence employee performance by reducing its own weaknesses. It will also be helpful in gaining deeper understanding in coming up with approaches to be followed by management at National Hospital Insurance Fund in order to transform a short-run competitive advantage into a sustained competitive advantage.

5.2 Ability, Motivation and Opportunity Theory

Ability motivation opportunity theory suggests that strategic human resource practices that enhance the firm's human capital through increased human capabilities translate into performance outcomes, such as higher productivity, reduced waste and higher quality. In ability, motivation and opportunity theory, performance is a function of the three elements named ability, motivation and opportunity thus, for an employee to perform optimally he or she must have the ability, coupled with the motivation and given opportunities [9]. From this perspective, one can argue that innovation performance (individual or organizational level) is also a function of innovation related ability, motivation for innovation and opportunity for innovation.

According to other ability, motivation and opportunity theory (AMO) proponents, performance at individual level has for long been viewed as a function of individual motivation and ability [10] but, other scholars [11] contended that an often overlooked but yet important additional function of performance is opportunity to perform. It is also indicated that motivation influence most strongly to contextual performance whereas ability applies most strongly to task performance.

Besides the theoretical assumptions, previous studies on employee performance had also empirically revealed that employees' ability, motivation and opportunity provided necessary requirement to perform optimally in an organization. When employee(s) feel that they possess the required work-related competence and abilities, they tend to exhibit both task and contextual performance [12]. Task performance relates to transforming raw materials into goods and services while contextual performance concern aspects of an individual's performance such as attitudes portrayed in the work behaviors.

Moreover, both intrinsically and extrinsically motivated employees usually have greater opportunity to perform jobs in ways that contribute towards the achievement of organizational goals [12]. It is therefore true to say that innovation-focused staffing and training practices can ensure the required ability and capability for organizational innovation. By enhancing motivation and commitment through the strategic human resource innovation practices on employee performance, the organizations can ensure real innovation occurrence in the workplace.

At the same time, it is stated that innovation does not occur by itself, organizations must provide their employees with the opportunities to innovate or must make demand for innovation from their employees [13]. In general, for an organization to be innovative, it has to request for innovation through provision of work groups opportunities and resources. In addition to these practices, organizations must ensure the sustainability of innovation performance through strategic human resource practices. Recent research findings highlight complementary role of organizations in enabling firms to translate innovative activity into tangible performance improvements.

Based on ability, motivation, opportunity theory, the management at National Hospital Insurance Fund, should therefore use three factors as a structure of appraisal interviews by comparing employee responses to their own perception of what they can, desire and have the opportunity for in order to gain a mutual understanding. The management can choose whether or not to develop ability, motivation and opportunity as determinants of improvement in performance- This is whereby the organization is looked at as an organism, all bodies must play together cross functionally. It is not enough that the lungs utilize their vitality to the fullest, if capacity is weaker in other parts of the body.

In order to create well-functioning teams, it is crucial that managers look inwards and assess the composition of their employee profiles. With well-being of the equation, one can hire the most executing, analytical human resource managers and specialists (ability), develop and involve them (motivation) and finally offer opportunities (opportunity). But if these people cannot cooperate, take responsibility towards a common goal and show a proper attitude in their daily work their satisfaction rate and well-being will be weakened.

Long-term ideology explains that over time, the organization can fall into a ditch of several sub-optimizing cultures where common values are missing in daily practice. If, for example, many of the employees who execute for their own benefit are being promoted as high performers, there is a risk that the spot light

comes on stars, looking at short-term results with a short-term behavior and a stagnant bottom up as a critical impact for the business and organizational flow. It can implore a lack of feedback, envisaged silo tactical in communication and relevant knowledge is not shared if it does not benefit their own perspective to share it.

To create a culture where work performance is high, management must invest a conscious effort in ensuring a proper allocation of both management and employee profiles and put this work on their strategic agenda. If companies are successful at this very point, a culture of trust will have its best conditions. And in return it will heighten job satisfaction and the everyday desire to go an extra mile and the individual courage to share knowledge that management relies on in order to navigate their business proactively.

The theory is important to this study as it provides insights and deeper understanding on employee performance while relating to the three functions namely ability, mobility and opportunity. The management of National Hospital Insurance Fund will understand the techniques to adopt while dealing with their employees not only to provide them with necessary requirements to perform optimally but also to improve on their skills, expertise and knowledge.

VI. Empirical Review

This section covers a review of past empirical studies in relation to online recruitment practices, work-life balance practices and employee performance.

6.1 Online Recruitment Practices

The effective recruitment and selection of employees are fundamental strategic human resource practices. If well managed can have a significant impact on employee performance [14]. Given the relationship between effective recruitment and employee performance, organizations need to adopt a more strategic approach to human resource innovation practices before moving on to the actual recruitment and selection process [15].

The general theories of recruitment pinpoint the fact that employees need to have a fit-in culture in order to survive in a new job environment. In line with the above statement, the management should put more pressure on the recruitment team to cultivate the organization culture that enhances good performance. Recruitment strategies by organizations should be tailored towards specific positions to be filled and in the modern global environment, they include advertisements in electronic and print media, agencies and services, schools and college forums, professional associations and internal resources.

With advances in technology, internet recruitment has become a key medium for recruitment by employers and recruitment agencies. Since 1998 there has been a significant increase in the number of organizations using their corporate website as a recruitment channel [16]. It is estimated that the online recruitment business has tremendously grown over years [14]. Internet recruitment is seen as an effective recruitment medium especially when recruiting graduates, IT and technical professionals and middle managers. The ease of applying for a job online can generate a great number of applications.

With Internet recruitment, organizations have a number of choices such as encouraging direct applicants through their own website, setting up their own recruitment website, or advertising vacancies on specialist internet recruitment sites. Many organizations post job openings on their web sites and some accept only online applications, completely eliminating the hard-copy application. In addition, companies have more information than ever on the job seekers. While earlier recruiters were dependent solely on the candidate's resume, today they can easily perform a web search and find more information about them by scouting their social media profiles, and also examine their work samples, all through the use of web.

The benefits of Internet recruitment for organizations include reduction in recruitment costs, reaching a wider pool of applicants, technology can be used to scan resumes and match against key selection criteria, a reduction in the amount of paperwork associated with the recruitment process, as well as providing a positive corporate brand image [16]. Organizations recruiting internationally can combine Internet technologies with other technologies, such as video technology, to make it easier and more cost-effective when recruiting in different countries.

In addition, Internet recruitment can create opportunities for organizations to use a number of pre-selection tools and tests, thus helping to improve the likelihood of a match between applicants and job vacancies. Therefore, a thorough planning is needed so as to effectively manage risks and uncertainties associated with online recruitment, efficient use of resources such as the internet which will result in the realization of the set goals. National Hospital Insurance Fund have corporate website as a recruitment channel which is functional.

6.2 Work-life Balance practices

Work-life Balance is a broad concept including proper prioritizing between "work" (career and ambition) on one hand and "life" (Health, pleasure, leisure, family and spiritual development) on the other. Organizations and companies have already begun to realize the importance of this attribute to the productivity and creativity of its employees. The origin of work-life balance practices spans from work-life conflict

experienced by employees. Work- life conflict is the inter-role conflict that results when one's roles as an employee is incompatible with one other area such as being a spouse, parent or with other religious and leisure activities [17].

Work-life Balance practices help to minimize the amount of Work- life conflict and also targeting the antecedents such as job demands [18]. Practices that are meant to help employees better manage their work and non-work times are called in the literature as work-family policies, family-friendly or family-responsive policies. Work-life balance practices would be adopted because it is broad, cutting across employers working constructively with their employees to put in place arrangements, which take into account the needs of the business as well as the non-work aspects of employees' lives.

There are some motives for applying work-life practices by organizations: to keep employee motivated and well performing and to make the organization more attractive to employee. During the last decades there have been dramatic changes in the field of Human Resource Management in that the focus has been broadened the strategic perspective, known as strategic human resource management. The basic promise of this perspective is that organizations that achieve congruence between their human resource practices and their strategies should enjoy superior performance. The strategic human perspective of human resource emphasizes that a workforce strategy should fit an organization's business goals, culture and environmental circumstances and that human resource management practices should be interrelated and internally consistent.

It is observed that work-life balance is generally associated with equilibrium between the amount of time and effort somebody devotes to work and personal activities, in order to maintain an overall sense of harmony in life [19]. To understand work-life balance practice, it is important to be aware of the different demands upon us including our personal resources, time and energy that we can deploy to address them. Research has indicated that those workers who have some form of control over their working environment tend to suffer less stress-related ill-health, with clear implications for the concept of work-life balance.

Organizations can implement various work-life Balance initiatives that may assist employees to better balance their work and family responsibilities, gain improvements in well-being and provide organizational benefits. There are a large variety of family friendly policies which include, but are not limited to the following; flexible working hours, job sharing, part-time work, compressed work weeks, parental leave and on-site child care facility [20]. These policies are so essential to everyone working in organizations regardless of age.

The effects of introducing work-life Balance practices on employee attitudes and perceptions include job satisfaction, organizational commitment, and job stress and turnover intention. All of these factors, in turn, affect job performance, direct and indirect absenteeism costs, costs associated with the loss and replacement of valued employees, customer satisfaction, and organizational productivity. Although the formal evaluation of work-life practices is often difficult because of the problem of calculating the costs and benefits of different strategies, some companies have attempted to quantify the outcomes of specific policies.

Implementing of work-life practices for organizational effectiveness may be compromised by lack of use these practices. Research conducted amongst organizations in the UK suggests that employees often remain unaware of their work-life entitlements following the implementation of work-life balance practices. For example, in a survey of 945 employees in six different organizations across three sectors of employment (local government, supermarkets, and retail banking), it was found that 50% of employees were unaware of the family-friendly practices offered by their organizations.

6.3 Employee Performance

The National Hospital Insurance Fund Act in Kenya has undergone several amendments in a bid to improve access to medical treatment, and increase the productivity and longevity of its citizens. The latest installments in these amendments are meant to further widen the health safety net of the members to include family planning (FP) and Human Immunodeficiency Virus (HIV) coverage for its members. The reforms are set to impact delivery and financing of the mandated benefits package by allowing members to access in and out-patient services in a benefit package, with no cost at the point of use for patients.

This supports Kenya's efforts to achieve universal health coverage (UHC) and will facilitate an increase in the number of people who can obtain health insurance at an affordable premium, reducing out-of-pocket expenditure and ultimately reducing catastrophic health expenditure. The adopted National Hospital Insurance Fund Amendment Bill (2016) frees up resources to be used for service delivery, contributing to domestic resource mobilization for health, and increasing access to essential health services. Evidently, the gearing of the service delivery portfolio by the new amendments mean that the National Hospital Insurance Fund's human resource capabilities must necessarily match the new regime in order to deliver the services efficiently and as per expectations.

According to the Act, the Board may, by resolution either generally or in any particular case, delegate to any committee of the Board or to any member, officer, employee or agent of the Board the exercise of any of the powers or the performance of any of the functions or duties of the Board under this Act. The Board, in

consultation with the Minister, shall pay members of the Board such remuneration, fees or allowances for expenses as the Board may determine.

Subject to section 14, no matter or thing done by a member of the Board or any officer, employee or agent of the Board shall, if the matter or thing is done bona fide for executing the functions, powers or duties of the Board under this Act, render the member, officer, employee or agent or any person acting on their directions personally liable to any action, claim or demand whatsoever (NHIF Act, 2016). Evidently, the Act does not hold the NHIF employees liable for misconduct when carrying out their official duties as prescribed within the act (Part 2(13)), it does indeed transfer the liability to their employer, the NHIF Board that could end up in a lawsuit if the aggrieved party so chooses.

According to Section 14 of the Act, the provisions of section 13 shall not relieve the Board of the liability to pay compensation or damages to any person for any injury to him, his property or any of his interests caused by the exercise of any power conferred by this Act or any other written law or by the failure, whether wholly or partially, of any works. This, therefore, underscores the need for close and better working relationship to execute their mandate in line with the new law. The law further gives the Board the latitude to manage their employee affairs but limits their power to sack them if they are public servants. Therefore, a great deal of innovation is required to boost employee performance under the Act.

The law does not prescribe any innovations that the Board can take to improve employee productivity and performance. It rather spells out the obligations of the Board and employee in relation to their enjoyment and possible termination of contract. This is done in the second schedule where it states that every public officer having the power or duty to effect or amend any entry in a register relating to property or to issue or amend any certificate or other document effecting or evidencing title to property, shall, without payment of a fee or other charge and upon request made by or on behalf of the Board, do all such things as are by law necessary to give final effect to the transfer of the property mentioned in subparagraph (1).

Further, subject to subparagraph (2), the officers, inspectors and servants appointed for the administration of the Fund in office on the appointed day shall be deemed to officers, inspectors and servants appointed by the Board under section 11 of the Act. Within twelve months after the appointed day, the Board shall review the qualifications of all persons deemed to be employees of the Board under subparagraph (1). The Board may retain those found suitably qualified for employment subject to such persons opting to remain in the service of the Board; and such terms and conditions of service (not being to the disadvantage of such persons) as may be agreed with the Board.

Any employee not retained by the Board under subparagraph (2) may exercise his option to either retire from the service of the Board; or be redeployed within the public service. Where an employee enters into an agreement with the Board under subparagraph (2), his service with the Government shall be deemed to be terminated without the right to severance pay but without prejudice to all other remuneration and benefits payable upon the termination of his appointment with the Government. Therefore, it is incumbent on the Board to determine how best to manage their employees in such a way as to encourage their productivity and performance at all times.

VII. Conceptual Framework

Conceptual framework is a concise description of the phenomena under study accompanied by a graphical or visual depiction of the major variables of the study [21]. This perceived relationship between the variables is depicted in Figure 1.

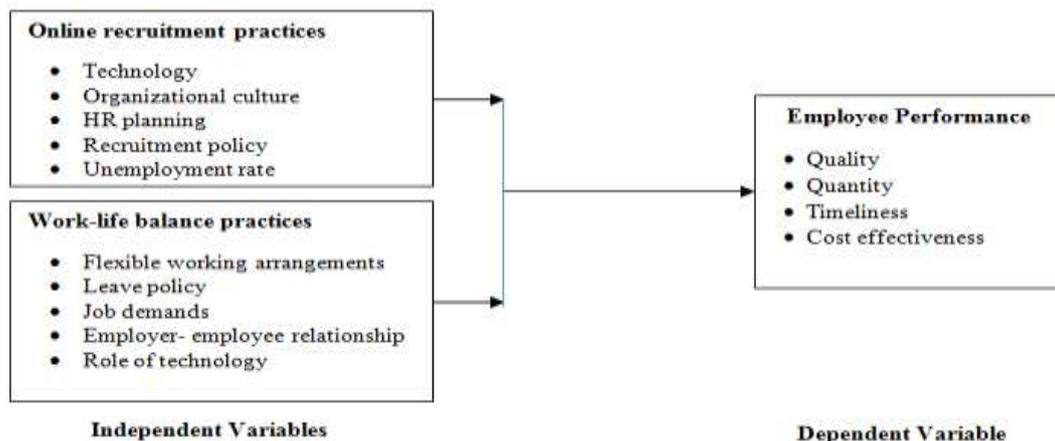


Figure 1: Conceptual Framework

VIII. Research Methodology

Research methodology describes the methods which were applied in carrying out the research study.

8.1 Research Design

The study was undertaken using descriptive research design, census technique. Descriptive research is appropriate when the objective is to determine the degree of the relatedness of the variables [22]. Additionally, census technique is preferred since information is collected from all units in the population. Census is used when accurate information is needed. Advantage of using census strategy is that data from small areas may be available assuming satisfactory response rates are achieved. Descriptive research design can either be quantitative or qualitative, and can often utilize elements of both within the same study. Both primary and secondary data collection methods were used for the study.

8.2 Target Population

Population refers to the entire group of people or things of interest that the researcher wishes to investigate [23]. Population is an entire group of individual or objects having common observable characteristic [21]. Currently National Hospital Insurance Fund has 4,800 employees all over the country out of which 60 are based in Nakuru branch including the Molo and Olenguruone satellites comprising of managers and staff members.

8.3 Census Design

Census design was used to collect data since the entire population was to be given questionnaires to fill in. The rationale of using the census design was to gain deeper understanding of this particular type of technique [24], and not necessarily to generalize the findings. The study focused on a case at National Hospital Insurance Fund, Nakuru branch, Kenya.

8.4 Data Collection Instrument

Data was collected using a structured questionnaire with close-ended questions on a 5 point Likert scale. The close-ended Likert rating scaled the items on (5, 4, 3, 2 and 1) where 5-strongly agree, 4-agree, 3-neutral 2-disagree and 1-strongly disagree. Questionnaires are research instruments used to collect information towards addressing specific objectives [25].

8.5 Pilot Testing

Prior to conducting the main research, a pilot study was conducted to test reliability and validity of the research instrument by pre-testing the questionnaires. A pilot test was conducted at National Hospital Insurance Fund, Molobranh using four questionnaires. A content validity test was conducted to ensure all indicators measured were adequately represented.

8.5.1 Validity Test

Validity is the degree to which an instrument measures what it's supposed to measure [26]. The validity of the research instrument was established through consultation with the research supervisor. Furthermore, the questionnaires were subjected to pre-test to detect any deficiencies in it. Comments and suggestions made by the pre-test participants were incorporated in order to address some insufficiencies which may occur in the questionnaire.

8.5.2 Reliability Test

Reliability is defined as the extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable. Reliability was assessed using Cronbach Coefficient Alpha, with the rule of thumb that an alpha above 0.70 indicates good correlation between the item and the true scores and lower alpha levels suggest that the sample of items is a poor.

Table 1: Reliability Test Results

Variable	No. of Test Items	Cronbach Alpha
Online Recruitment Practices	5	.8214
Work Life Balance Practices	5	.7726
Performance Related Pay Practices	5	.8134

The reliability test on the pilot data showed that Telecommuting Practices items had a Cronbach Alpha score of 0.8728, Online Recruitment Practices items had a Cronbach alpha of 0.8214, Work Life Balance Practices (0.7726) Performance Related Pay Practices (0.8134), and NHIF Act of 2016 (0.7842). This means that the data was reliable given that the Cronbach Alpha scores were > 0.7. A reliability coefficient of .70 or higher indicates consistency. This thus enabled the researcher to go ahead with the main data collection exercise.

Data Analysis and Presentation

The data collected were analyzed using the Statistical Package for Social Sciences (SPSS version 22) tool. Descriptive statistics was generated. Additionally, a regression analysis was conducted to test if the strength of the relationship between the independent variables and the dependent variable are statistically significant. The regression analysis was guided by the following model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

Where,

Y represents the employee performance; β_0 is model’s intercept; β_1 and β_2 are regression coefficients denoting the slope of the independent variables; X_1 is online recruitment practices; X_2 is work-life balance practices; ϵ is the model error term. The equation was based on the assumptions that the relationship between independent and dependent variables is linear, and also that there is little or no multicollinearity in the data. This occurs when the independent variables are not dependent on each other.

IX. Study Findings and Discussions

The findings and associated discussions pertinent to strategic human resource innovation practices and employee performance at National Hospital Insurance Fund are pit into perspective.

9.1 Descriptive Findings and Discussions

This section presents results and interpretations emanating from descriptive analysis relating to the, online recruitment practices, work-life balance practices, and employee performance at National Hospital Insurance Fund, Nakuru.

9.1.1 Online recruitment practices

Online Recruitment Practices are an important influence on the performance of the National Hospital Insurance Fund employees. The study sought to analyse the extent to which Online Recruitment Practices influenced employees’ performance in National Hospital Insurance Fund, Nakuru branch. The objective was achieved by asking the respondents to respond to questions that best described their current online recruitment practices. These together with other items were each rated on a 5-point Likert scale ranging from: 5= Strongly Agree to 1= Strongly Disagree and the results summarised in Table 2.

Table 2: Online recruitment practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	μ	SD
Internet recruitment has become a key medium for recruiting employees through advanced technology	46	15	12	10	7	2	3.95	1.320
Measures should be put in place to ensure that the recruitment team cultivates culture in the workplace	46	20	17	4	5	0	4.12	.875
Online recruitment policy should be adopted and implemented	46	18	17	5	6	0	4.00	1.963
HR planning is required for effective use of online recruitment	46	16	14	9	2	1	3.85	1.220
The working space area is sufficient and roomy enough	46	20	21	3	2	0	4.33	.872

It was established that Internet recruitment has become a key medium for recruiting employees through advanced technology (mean=3.95, stddev=1.320). Measures should be put in place to ensure that the recruitment team cultivates culture in the workplace (mean=4.12, stddev=0.875). Online recruitment policy should be adopted and implemented (mean=4.00, std dev=1.963). HR planning is required for effective use of online recruitment mean=3.85, stddev=1.220). The working space area is sufficient and roomy enough (mean=4.33, stddev =0.872).

$$\begin{aligned} \text{Grand Mean} &= \frac{\sum \mu}{N} \\ &= \frac{4.10+3.92+3.78+3.67+3.98}{5} \\ &= 4.05 \end{aligned}$$

Based on the close ended Likert scale rating, 4.05 lies in the Agree section (A), meaning that averagely, employees of National Hospital Insurance Fund are in accord with the adoption of online recruitment practices at National Hospital Insurance Fund.

9.1.2 Work life balance practices

The study brings to light the fact that balance between combinations and interactions of the different areas of one’s employment and family is important to the performance of National Hospital Insurance Fund employees. The objective was achieved by asking the respondents to respond to questions that best described their work life balance interactions. These together with other items were each rated on a 5-point Likert scale ranging from: 5= Strongly Agree to 1= Strongly Disagree and the results summarised in Table 3.

Table 3: Work Life Balance Practices

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	μ	SD
Flexible working arrangements are essential at the workplace	46	21	18	3	4	0	4.15	.677
Employees benefit from leave policy adopted	46	16	14	9	2	1	3.84	.345
Work-life balance practices help meet job demands	46	21	20	5	0	0	4.25	1.032
Employers and employees work together to place arrangements	46	19	16	3	6	2	4.04	1.333
Due to work-related duties, I have to make changes to my plans for extracurricular activities	46	6	10	12	13	4	3.46	0.965

From Table 3, it was observed that, Flexible working arrangements are essential at the workplace (mean=4.15, std dev=0.677).Employees benefit from leave policy adopted (mean=3.84, stddev=0.345).Work-life balance practices help meet job demands (mean=4.25, std.dev (1.032).Employers and employees work together to place arrangements (mean=4.04, std dev=1.333.), Due to work-related duties, I have to make changes to my plans for extracurricular activities (mean=3.46, std dev= 0.965).

$$\begin{aligned} \text{Grand Mean} &= \frac{\sum \mu}{N} \\ &= \frac{4.15+3.84+4.25+4.04+3.46}{5} \\ &= 3.948 \quad (\text{Round off to the next significant figure}) \\ &= 4.00 \end{aligned}$$

Based on the close ended Likert scale rating, 4.00 lies in the Agree section (A). This means that averagely, most employees are in support of adoption of work life balance practices at National Hospital Insurance Fund.

9.1.3 Employee performance

Table 4: Employee performance

Item	N	SA (5)	A (4)	N (3)	D (2)	SD (1)	μ	SD
Quality, quantity, timeliness and cost effectiveness are important determinants pertaining employee performance	46	7	12	12	13	2	3.65	.766
It is necessary for an employee to accomplish given work element by a certain time limit	46	26	17	3	0	0	4.58	.120
Management should demonstrate that performance is critical to organizational and individual success	46	23	20	3	0	0	4.02	1.046
Flexible plans should be developed to allow for changes in program goals to keep the process of employee performance credible	46	12	10	12	7	5	3.94	1.082
Measurement in terms of percent (%) should be used for rating of employee performance	46	13	11	10	9	3	3.75	.644

The study showed that, quality, quantity, timeliness and cost effectiveness are important determinants pertaining employee performance (mean=3.65, stddev=0,766). It is necessary for an employee to accomplish given work element by a certain time limit (mean= 4.58, stddev =0.120). Management should demonstrate that performance is critical to organizational and individual success (mean=4.02, stddev=1.046).Flexible plans should be developed to allow for changes in program goals to keep the process of employee performance credible (mean=3.94, stddev=1.082). Measurement in terms of percent (%) should be used for rating of employee performance (mean=3.75, stddev=0.644).

$$\begin{aligned} \text{Grand Mean} &= \frac{\sum \mu}{N} \\ &= \frac{3.65+4.58+4.02+3.94+3.75}{5} \\ &= 3.988 \quad (\text{Round off to the next significant figure}) \\ &= 4.00 \end{aligned}$$

According to the close ended Likert scale rating, 4.00 falls under Agree (A), meaning that averagely, most employees at National Hospital Insurance Fund are for the idea of productivity in terms of performance.

9.2 Inferential Findings and Discussions

The study examined the influence of credit controls on sustainable financial prudence in public universities in Kenya. In respect of the foregoing, the study analyzed the correlation of the two variables. In addition, credit controls variable was linearly regressed against sustainable financial prudence.

9.2.1 Correlation analysis

The results of Pearson’s correlation tests are as shown in Table 5.

Table 5: Correlation between strategic human resource innovation practices and employee performance

		Employee Performance
Online Recruitment Practices	Pearson Correlation	.603**
	Sig. (2-tailed)	.000
Work Life Balance Practices	Pearson Correlation	.523**
	Sig. (2-tailed)	.000
	N	46

** . Correlation is significant at the 0.01 level (2-tailed).

The study found that online recruitment practices had a positive relationship with employee performance at National Hospital Insurance Fund (r=0.603; p<0.05). This could be argued to imply that the introduction of online recruitment practices contributed to employee performance at National Hospital Insurance Fund where if online recruitment practices were improved employee performance would improve following the strong positive relationship. The analysis further indicated that work-life balance practices had a positive relationship with employee performance at National Hospital Insurance Fund (r=0.523; p<0.05). This could also imply that work life balance practices contributed to employee performance at National Hospital Insurance Fund where if work-life balance practices were improved employee performance would as well improve at strong positive relationship.

9.2.2 Regression analysis

According to the results shown in Table 6, the model shows a goodness of fit as indicated by the coefficient of determination (r²) with a value of 0.676. This implies that the variations in independent variables, that is, online recruitment practices and work-life balance practices explain 67.6% of the variation in employee performance at National Hospital Insurance Fund, Nakuru branch.

Table 6: Regression model summary

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.822	0.676	0.6011	0.6442

a. Predictors: (Constant), online recruitment practices, work-life balance practices,

Table 7: Regression model results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.836	.342		0.665	.401
Online recruitment practices	.875	.345	.642	4.212	.034
Work life balance practices	.374	.109	.677	3.431	.002

a. Dependent Variable: Employee performance

According to the results indicated in Table 7, the following regression model

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \epsilon$$

was substituted as follows:

$$Y = 0.836 + 0.875X_1 + 0.374X_2$$

The results indicated that a change of 1 unit in employee performance was subject to a change of 0.875 unit in online recruitment practices and 0.374 unit in work-life balance practices while holding other factors constant (0.836).

The results of t-statistics were employed to address the null hypotheses.

H₀₁: Online recruitment practices have no significant impact on employee performance at National Hospital Insurance Fund, Nakuru branch.

H_A: Online recruitment practices have significant impact on employee performance at National Hospital Insurance Fund, Nakuru branch.

The statistical test was t – test at the 0.05 significance level.

The first null hypothesis was rejected since ($t=4.212$; $p<0.05$). This indicated significant relationship between online recruitment practices and employee performance National Hospital Insurance Fund, Nakuru branch.

H₀₂: Work–life balance practices have no significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

H_A: Work–life balance practices have significant influence on employee performance at National Hospital Insurance Fund, Nakuru branch.

The statistical test was t – test at the 0.05 significance level.

The second null hypothesis was also rejected since ($t=3.431$; $p<0.05$). This showed that there was a significant relationship between work-life balance practices and employee performance at National Hospital Insurance Fund, Nakuru branch.

X. Conclusions

The study concluded that online recruitment practices have influence on employee performance as it was seen as an effective recruitment medium especially when recruiting graduates, IT and technical professionals and middle managers. With Online recruitment practices, National Hospital Insurance Fund, Nakuru branch have a number of choices such as encouraging direct applicants through their own website, setting up their own recruitment website, or advertising vacancies on specialist internet recruitment sites.

Work–life balance practices have influence on employee performance at National Hospital Insurance Fund, Nakuru branch since it was able to cut across employers working constructively with their employees to put in place arrangements, which take into account the needs of the Fund. Benefits of such practices were seen as respondents showed levels of motivation as shown in the presentations

References

- [1]. Tan, C. L., & Nasuridin, A. M. (2010). Human Resource management practices and organizational innovation. *Journal of Applied Business Research*. Vol.2 (4), Pp. 105-115.
- [2]. Agarwal, T. (2002). Innovative human resource practices and organizational commitment. *International journal of human resource management*. Vol. 4,(2), Pp.175-197.
- [3]. Collins, C. J., & Clark, K. (2003). The role of human resource in creating organizational competitive advantage. *Academic Management journal*. Vol 46(6), Pp. 740-771.
- [4]. Holbeche, L. (2004). *Aligning human resources and business strategy*. Oxford: Elsevier Butterworth- Heinemann.
- [5]. Armstrong, M., & Murlis, H. (2004). *Reward management: A Handbook of remuneration strategy and practice*. (5th Ed.). London: Kogan page Limited.
- [6]. Wernerfelt, B. (1984). A Resource-based View of the Firm. *Strategic Management Journal*, Vol. 5(2), Pp.171-180.
- [7]. Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of management*. Vol. 17 (1), Pp. 99-120.
- [8]. Som, A. (2007). What drives adoption of innovation SHRM practices in Indian Organizations? *International journal of Human Resource Management*. Vol. 18(5), Pp. 808-828.
- [9]. Appelbaum, E., Bailey, T., Berg, P., & Kalleberg, A. (2000). *Manufacturing advantage: Why high-performance work systems pay off*. Ithaca, NY: Cornell University Press.
- [10]. Vroom, V. H. (1960). *Work and Motivation*. New York: John Wiley.
- [11]. Blumberg, M., & Pringle, C. D. (1982). Some implications for a theory of work performance. *Academy of Management Review*, Vol. 7 (4), Pp.560-569.
- [12]. Tuuli, M., & Rowlinson, S. (2009). Performance consequences of psychological empowerment. *Journal of construction engineering and management*. Vol. 135 (12) Pp. 1334-1347.
- [13]. William, T. (1990). The Business Innovation: An interview with Paul Cook. *Harvard Business Review*. Vol. 68(2), Pp. 97-106.
- [14]. Pilbeam, S., & Corbridge, M. (2006). *People resourcing: Contemporary HRM in practice*. Harlow: Financial Times Prentice Hall.
- [15]. Bratton, J., & Gold, J. (2007). *Human resource management: Theory and Practice* (4th Ed.) Houndmills: Macmillan.
- [16]. Searle, R. (2006). New technology, the potential impact of surveillance techniques in recruitment practices (7th Ed.). Vol.35(3), Pp. 336-351.
- [17]. Redmond, J. M. (2006). *Literature review of issues related to work- life balance, workplace culture and maternity/ childcare issues*. Dublin: Crisis Pregnancy Agency.
- [18]. Lero, D. S., & Bardoel, A. (2009). Including the social- cultural and policy contexts in our multi-level, multi national study of work-family conflict. Report to the international workshop. Guelph: ON.
- [19]. Clarke, M., Koch, L., & Hill, E. (2004). The work-family interface: Differ. *Family and consumer sciences research journal*, Vol. 33(2) Pp. 121-140.
- [20]. Hartel, C. (2007). *Human resource management: Transferring theory into innovative practice*. NSM, Australia: Pearson Education Australia.
- [21]. Mugenda, A., & Mugenda, O. (2003). *Research methods; quantitative and qualitative approaches*. Nairobi: African Centre for Technology Studies.
- [22]. Elahi, M., & Dehdashti, M. (2011). Classification of researches and evolving a consolidating typology of management studies. Annual Conference on Innovations in Business & Management London: United Kingdom.
- [23]. Sekaran, U., & Bougie, R. (2010). *Research Methods for Business: A Skill Building Approach* (5th Ed.). New Jersey: John Wiley and Sons.

- [24]. Neuman, W. L. (2009). *Social research methods: Qualitative and quantitative approaches* (7th Ed.). Boston: MA, Pearson/Allyn & Bacon.
- [25]. Orodho, A., & Kombo, D. (2002). *Research Methods*. Nairobi: Kenyatta University Institute of Open Learning
- [26]. Kothari, C. (2004). *Research Methodology: Methods and Techniques*. New Delhi: New Age International Publishers.

Kariuki, Michelle Wambui. Influence of Strategic Human Resource Innovation Practices on Employee Performance at National Hospital Insurance Fund, Nakuru Branch, Kenya.” *IOSR Journal of Business and Management (IOSR-JBM)* , vol. 19, no. 10, 2017, pp. 53-65.