

**EFFECT OF HUMAN CAPITAL INVESTMENT ON EMPLOYEE PERFORMANCE IN  
JARAMOGI OGINGA ODINGA TEACHING AND REFFERAL HOSPITAL IN  
KISUMU COUNTY KENYA**

**BY**

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**DECLARATION**

I declare that this research project report has not been presented anywhere for any award and that all sources of information have been acknowledged by means of references.

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Sign..... Date.....

**Supervisor:**

This research project report has been submitted with my approval as the university supervisor.

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I also take this opportunity to thank Jaramogi Oginga Odinga Teaching and Referral Hospital for their assistance during my data collection in their institution. May God of abundance bless you all.

## **DEDICATION**

This thesis is dedicated to my late mother, Mrs. Benta Otunga for the firm academic foundation she laid in me. My dear husband and family and friends for their material and financial support throughout my academic journey.

## ABSTRACT

Human capital is getting wider attention with increasing globalization and also the saturation of the job market due to the recent downturn in the various economies of the world. In knowledge based industries, continuous human capital investments are essential for firms to enhance capabilities and sustain competitive effective human capital investment on employee performance introduced the view that education and training represent investment in future productivity and not just consumption of resources. In this perspective, firm and workers alike depend on investments in human capital to increase competitiveness, profits, and pay. An organization can only achieve all its objectives through investing in its employees. The nature of Human Capital Investment on employees in Jaramogi Oginga Odinga teaching and referral hospital is therefore key to the effective management of the institution. Past studies have attributed to contributions of Human Capital Investment to the organizations performance. However, not all previous studies have focused on how Human Capital Investment has contributed to employees' performance. It is for this reason that this study sought to examine the effect of Human Capital Investment on employee performance in Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County. Specifically the study sought to: examine the effect of employee Training and Development: determine the effect of Employee commitment: and to ascertain the effect of Knowledge Management on Employee Performance in Jaromogi Oginga Odinga Teaching and Referral Hospital in Kisumu County Kenya. The study was guided by Human capital theory. Correlational research design was adopted. The population was seven units of employees of the referral hospital. A sample of 136 employees were chosen for sample study. Data sources were both primary and secondary. Primary data was collected using structured questionnaire. Validity of the instruments was ascertained through expert opinion and revision. Data was analyzed using regression analysis to determine effect of Human Capital Investment on employee performance. The findings revealed that knowledge management had a positive significant effect on performance ( $\beta=.445$ ,  $p=.000$ ), employee commitment had a positive significant effect on performance ( $\beta=.219$ ,  $p=.021$ ) but training and development did not have a significant effect on performance. In overall, human capital investment accounted for 35.1% change in employee performance ( $R^2=.351$ ,  $F(3, 132)=23.772$ ,  $p=.000$ ). The study concluded that knowledge management has a positive effect on performance, employee commitment has a positive effect on performance but training and development does not have an effect on performance. The study therefore recommended that that the Hospital improve their training and development among the employees to improve their performance. The findings of the study should help the health institution to plan on employee investment that will lead to increased service delivery, quality work and effective research that will be relevant to the upgrades of the health institution. Researchers may also pursue further research from this study.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background of the Study**

This section presents the background to the study, statement of the problem, research objectives, research hypotheses, scope of the study, justification of the study and the conceptual framework. It also highlights the context of the study which is Jaramogi Oginga Odinga Teaching and referral Hospital in Kisumu County Kenya.

According Schultz (1993), the term “human capital” has been defined as key element in improving a firm assets and employees in order to increase productive as well as sustain competitive advantage. To sustain competitiveness in the organization human capital becomes an instrument used to increase productivity. Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on a firm performance. Rastogi (2000) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities. Thus, the definition of human

Training is process of enhancing knowledge, skills and ability of employee for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. Training is directly proportional to revenue. If employee gets better training then definitely productivity increases and revenue also increases (Srivastava & Agarwal, (2014). Training is determined as the process of enabling employee to complete the task with greater efficiency, thus considered to be vital element of managing the human resource performance strategically (Lawler, 2013) The importance of training on the employee performance, through accelerating the learning process, is mentioned in many researches (McGill and Slocum, 2013).

A sentiment also shared by Khan et al., (2017) they state that Training and development is a vital process, which seeks to get better performance of workers in the organization. In order to figure out the proficient committees, employees’ significant knowledge and intellectual ability desires to be enhanced. Moreover, the uselessness of training and development of employees in the organization reduces the organization’s output, as organizations depend on having people with

the accurate skills, attitudes and capabilities in order to attain goals well. Companies whose investment perception is on human resource management view training as a chance to boost long-term productivity. Investing in training and development is essential for any organization, which will surely understand a return on its investment in training and developing its workers. Effective employee training leads to enlarge in quality as a result of potentially less mistakes. Training has direct relationship with the employees' performance. This is the measure of output vis-a-vie the input. It shows effectiveness and efficiency that make a payment to organizational goals and may depend upon many factors like performance appraisals, employee motivation, satisfaction, compensation, job security, organizational structure and others (Saeed & Asghar, 2012).

An organization can only achieve all its objectives through people. The nature of the relationship of people at work is therefore, fundamental to the effective management of an organization. The way various human resources in all parts of an organization are combined together into relatively fixed relationship and defined patterns of social relations determine their performance. Organizations have to create positive work environment to make the work interesting and flexible and to motivate and develop employees if they are to be competitive in a changing and dynamic environment, Dauda, (2010). Effective human capital investment encourage individual and group commitments to excellence and help in creating favorable environment at workplace. The fact that organizations are subjected to constant change makes it imperative for both management individual employees to constantly evaluate the relevance and achievement of the organization's vision at all times. Oguwa (2011), employee training and development, employee skills development, knowledge development and reward as components of employee performance.

In Kenya, the number of people seeking medical attention has increased to the emerging number of diseases and the health institutions cannot absorb all the patients Bapna *et al.* (2013) The government has responded to this challenge by establishing more hospitals and invested in the private to help manage the situation. The increase of diseases and those seeking medical attention has led to challenges especially for the referral hospitals. These include low funding from the exchequer forcing these institutions to operate under very tight budgets, increased number of patients yet no proper medical facilities in the hospital. This has been attributed to

heavy workloads as a result of the increased number of emerging diseases. The institution is faced with challenges that seem to be a hindrance to its performance. Health institution has attracted unprecedented public scrutiny and has encountered challenges in their performance such as: few doctors, poor remunerations, poor facilities, staff turnover, industrial disputes and 'brain drain'. With increased number of patients due to free medical care, this translates to large work-loads for the staff which leads to staff burnout and affect performance in the health institution as an increasingly important role in economic and social development. (Ibua, 2017). To tackle these challenges, the institution needs to realize the importance of human capital investment as an important resource (asset) in order to gain delivery its services effectively. Studies covered the effect of employee commitment on employee performance, investigated the employee commitment in productivity on employee performance. However, Knowledge on the effect of knowledge management on employee performance in the health sector is minimal. The current study will be used to shed light on the effect of Human Capital Investment on employee performance in Kenya

## **1.2 Statement of the Problem**

Poor remunerations, poor working conditions and lack of quality facilities and equipments evidenced by constant strikes has demoralized both the doctors and nurses in the health institution in Kisumu county hospital. Many are decamping to foreign countries thereby contributing to the lack of qualified doctors currently affecting many health institutions in Kenya. To meet the growing demand for health attention in Kenya, there is need to upgrade the capacity of the hospital facilities and, given the reality of the lack of doctors, the greater challenge is to attract and retain talented staff through human capital investment. For example, employee knowledge management and flexibility are emerging as competitive weapons that allow institutions to counteract the current situation. For the employees to perform better it is important that institutions invest in the employees to have better for effective service delivery. Studies have investigated the effect of training and development on productivity in organization, Quality delivery of services, and Training and feedback. They focused on public organizations, private sectors, and Banking sector. However, no study focused on training, development and employee performance in the health sector. Other studies covered effect of knowledge management on employee performance on organizations. These studies investigated the effect of

knowledge management on productivity in organization. The effects of employee commitment on employee performance. The studies focused on private companies, Banking sector and Non-governmental organizations. Therefore, knowledge is lacking on human capital investment on employee performance in the health sector, which this study seeks to address.

### **1.3 Objectives of the Study**

Overall objective of this study was to establish the effect of human capital investment on employee performance in Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County. Kenya.

Specifically the study seeks to:

- i. To examine the effect of knowledge management on employee performance in Kisumu county referral hospital;
- ii. To determine effect of employee training and development on employee performance in Kisumu county teaching and referral hospital;
- iii. To ascertain the effect of Employee Commitment on employee performance in Kisumu county teaching and referral hospital.

### **1.4 Research Questions**

The study sought to provide answers to the following research questions:

- i. What is the effect of knowledge management on employee performance in Kisumu county teaching and referral hospital?
- ii. What is the effect of employee training and development on employee performance in Kisumu county teaching and referral hospital?
- iii. What is the effect of Employee Commitment on employee performance in Kisumu county teaching and referral hospital?

### **1.5 Scope of the Study**

The study shall focus on human capital investment, its effects on employees' performance in Jaramogi Oginga Odinga teaching and Referral Hospital in Kisumu County Kenya.. It was conducted in the county referral hospital, formerly known as Russia. Kisumu County has 98 health facilities with 1 Provincial hospital, 3 District Hospitals, 5 Sub-District Hospitals, 53 Dispensaries, 6 Health Centers, and 30 other non classified. The study will be concerned

Jaramogi Oginga odinga Teaching and referral hospital in kisumu county and will focus on training and development, skills development and knowledge management by the county hospital, and how these affect employee performance. It was concerned with the period the county hospital have been in place up to date.

**1.6 Justification of the Study**

This study may provide an opportunity for Jaramogi Oginga Odinga Teaching and Referral Hospital to assess their employee investment in human capital. The study results may enable the management to establish the effects of human capital investment on employee performance, hence identify the areas where improvements can be done. It may also help the management in planning for the development and implementation of effective and efficient human capital investment that may lead to improved performance of the employees in the county referral hospital. This may in turn help in ensuring economic growth due to a healthy county and stability of the country. Other researchers who may need reference to information on human capital investment on employee may also benefit by being able to assess previous approaches used to solve similar management questions.

**1.7 Conceptual Framework**

**Independent Variables**

**Human Capital Investment**

- Knowledge management
- Employee training and development
- Employee Commitment

**Dependent Variable**

**Employee performance**

- Attendance and Punctuality
- Quality of Work
- Cost-effectiveness



**Figure 1.1: Expected Relationship between Human capital investment and Employee performance**

**Source: Adapted from Oguwa (2011) and modified**

## **CHAPTER TWO**

### **LITERATURE REVIEW**

This section focuses on the theoretical foundation on which the study is built and also explores comparative empirical literature which helps the gap which the study sought to address after discussing concepts of

#### **2.1 Theoretical Literature**

This study was anchored on Human Capital Theory: The framework of Becker

##### **2.1.1 The Human Capital Theory Framework of Becker**

Human capital theory, formalized by Becker (1962) but contemporaneously developed by others, helps us understand the training activities of firms. It (re-)introduced the view that education and training represent investment in future productivity and not just consumption of resources. In this perspective, firm and workers alike depend on investments in human capital to increase competitiveness, profits, and pay. Although the benefits are obvious, these investments come at a cost. From the firm's point of view, investments in human capital differ from those in physical capital, in that the firm does not acquire a property right over its investments in skills, so it and its workers have to agree on the sharing of costs and benefits of those investments. Whereas investments in physical capital are strictly the company's own decision, investments in the skills of its workforce involve interaction with the employees to be trained. In the basic formulation, Becker, assuming that product and labor markets are perfectly competitive, introduced the distinction between firm-specific and general human capital to solve the question: who bears the costs of training?

According to Odhong & Were (2013), Human capital theory helps to determine the impact of people on the business and their contribution to shareholder value. It demonstrates the HR practices that produce value for money in terms, for example, of return on investment. According to Dae-bong (2009), Human capital theorists believe that education and earning power are correlated, which means, theoretically, that the more education one has, the more one can earn, and that the skills, knowledge and abilities that education provides can be transferred into the work in terms of productivity. Human capital refers to the knowledge, expertise, and skill one

accumulates through education and training (Severine and Lila, 2009; Global Journal of Human Resource Management

This theory explains how Jaramogi Oginga Odinga County Hospital is using Human capital investment in improving the institutions employee performance. According to this theory, organizations need to stress on Human capital investment as a tool of improving the productivity of workers in organizations.

### **2.1.2 Concept of Human Capital Investment**

According Schultz (1993), the term “human capital” has been defined as key element in improving a firm assets and employees in order to increase productive as well as sustain competitive advantage. To sustain competitiveness in the organization human capital becomes an instrument used to increase productivity. Human capitals refer to processes that relate to training, education and other professional initiatives in order to increase the levels of knowledge, skills, abilities, values, and social assets of an employee which will lead to the employee’s satisfaction and performance, and eventually on a firm performance. Rastogi (2000) stated that human capital is an important input for organizations especially for employees’ continuous improvement mainly on knowledge, skills, and abilities. Thus, the definition of human capital is referred to as “the knowledge, skills, competencies, and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being” (Organization for Economic Co-Operation and Development or OECD, 2001: 18).

### **2.1.3 Concept of Employee Performance**

Whereas performance refers to the act of performing; the carrying into execution or recognizable action, achievement or accomplishment, in the undertaking of a duty, employee performance refers to the effective discharge of one’s duty for good results (Munjuri & Maina (2012). Employee performance, achieved through training, refers to immediate improvements in the knowledge, skills and abilities to carry out job related work, and hence achieve more employee commitment towards the organizational goals (Huselid, 2015) mentioned that training should leads to the culture of enhancing learning, to raise employee performance and ultimately higher return on investment (in training) for the firm.



The concept of performance covers both what has been achieved and how it has been achieved (Armstrong, 2009). The management has to compare the set goals in relation to the employee output to measure the level of performance. Performance in the corporate is largely driven by input of employees. Employee performance has therefore become a key concern of the management. Combined efforts of various employees performance determines the level of an organizations level of production hence development and growth of that organization. The continuing prosperity of a firm is likely to be enhanced by employees who hold attitudes and expectations that are closely aligned with organizations vision (Chew Y. T., 2005). Employees require motivation and other factors to enable them work effectively to achieve the organizational goals.

Employee performance is higher in happy and satisfied workers and the management find it easy to motivate high performers to attain firm targets competent to perform their jobs, which is achieved through better training programs. Recognizing the role of training practices, enable the top executives to create better working environment that ultimately improves the motivational level as well as the performance of the workforce. Understanding that sustainability is key to organizational survival is intrinsic to establishing the foundation of performance. With this in mind, it is only reasonable to assume that organizational survival can be predicated on the performance of its human capital. Human resources are a powerful potential internal resource that fits the resource based view concept (Paauwe, 2004).

## **2.2 Empirical Literature**

This section is going to explore the existing literature on previous studies on Human capital investment on employee performance: training and development; skills development and performance appraisal.

### **2.2.1 Training and Development and Employee Performance**

Training is a program that helps employees learn specific knowledge or skills to improve performance in their current roles. Development is more expansive and focuses on employee growth and future performance, rather than an immediate job role. Good training and development programs help you retain the right people and grow profits. As the battle for top talent becomes more competitive, employee training and development programs are more important than ever. Hiring top talent takes time and money, and how you engage and develop

that talent from the time they are first on boarded impacts retention and business growth. Aidah (2013) Studied the impact of employees' training and development on organizational performance. It was inspired by the fact that some organizations do not seem to care about improving the capacity of their worker but instead frown at and punish any weaknesses portray by the workers. To tackle the research problem, the researcher had as major objective to find out: whether National Financial Credit has training and development programs conducted for all employees; possible hurdles in the implementation of such programs and the practical effects training and development has on the performance at work. The researcher also emphasized on the various training methods designed and its implementation around the world during the training and development programs. Using the National Financial Credit, Kumba branch, the researcher got information from 30 respondents, through questionnaires, interviews and personal observation. The research also reveals that training and development is a necessity in every companies particularly for the unskilled or the less experience employees. Generally, employees' work contribution was greatly improved due to the training methods and tools used by the company. Thus, it led to a positive impact on employee' performance and an improvement in their skills and job efficiency.

Dr. David (2014) sought to determine the impact of Training and Development on public sector organizations using Ghana Ports and Harbors Authority (GPHA) as a case study. The research was intended to determine the role and impact of training on employees with emphasis on the lower, middle level staff and the administrators of GPHA, who were randomly selected. The study assessed the training and development process of GPHA and whether training has improved employee performance. A questionnaire was designed using structured questions to collect primary data from employees of GPHA. Personal interviews were held with some management staff of the organization. The results indicated that GPHA's employees were not well informed about training and development programmes in the organization. Most of the employees were of the view that training and development were effective tools for both personal and organizational success. The findings revealed that training practices, methods and activities at GPHA are not in line with the best practices regarding the planned and systematic nature of the training process as is generally known. It was recommended among other things, that the processes involved in training be duly followed, GPHA should help its staff identify their career paths and to guide them in the pursuit of higher education.

Neelam (2014) Sought to investigate whether training and development has impact on employees' performance and productivity. This paper is quantitative in nature. Data for the paper have been collected through primary source that are from questionnaires surveys. The data have been checked through statistical software to find the impact of training and development on employees' performance and productivity. There were two variable Training and Development (Independent) and Employees' performance and productivity (Dependant). Eight united banks limited were selected for the study. Eighty questionnaires were distributed for the collection of data. Descriptive statistic tools SPSS were applied on the questionnaire to see the reliability and consistency. The goal was to see whether Training and Development has an impact on Employees Performance and Productivity. Data were analyzed and discussed. The result showed that there was significant relationship between the variables, the Pearson correlation was used in study and Cronbach Alpha for each questionnaire.

Brenya (2014) sought to ascertain the effect of human capital development on employee commitment in the Judicial Service of Ghana. The specific objectives were to assess the human capital development practices in the Judicial Service, to assess the level of commitment of employees of the Judicial Service, to find the impact that human capital development has on the commitment of employees in the Judicial Service and to ascertain management commitment towards human capital development in the Judicial Service. The research design adopted was descriptive. Questionnaires were designed to collect data from the research population which comprised the registrars and staff of the Judicial Service in the Western Region of Ghana. Convenient sampling was used for selecting 100 staff and purposive sampling for 50 management. Data was analyzed by the used of SPSS software. It was concluded that the level of human capital development in the Judicial Service was very low. The management commitment towards the human capital development was also on the lower side. The study showed a high level of affective commitment, but a very poor continuous organizational commitment and normative organizational commitment.

Muna Al-Ghazawi (2012)On his study to measure the impact of investment in human resources activities on the effectiveness of investment in human capital and investigated the relationship between human capital Investment and its effectiveness in commercial banks in Jordan A model which included independent variables: Staffing, Training & Development, Incentives, and

Retention policy, also dependent variables: Human Capital Value Added (HCVA), Human Capital Return on Investment (HCROI), and Turnover Rate. Findings revealed that there is a significant impact on staffing, training & development, incentives, and retention policy on the effectiveness of investment in human capital. and there is a direct impact from both training & development and employee incentives system on the human capital return on investment and human capital value added. The study also revealed that there is a direct impact from retention policies on the turnover rate. The study recommend to empower human resources management with the tools and techniques needed to improve their role and impact on the overall performance of the banks. And establish a human resources information system to build an effective and accurate data for decision makers.

Shafiq et al (2017) Examined the major assets in the organization is the employee, they have a role to play towards an organizational success. The success of the organizational cannot be underestimating by the organizations. Because of this we need to care about their learning to increase the employee performance. This study aimed to investigate the effect of training and development on employee performance. The questionnaire was formed based on the empirical literature. This research engaged convenience sampling technique for selecting the respondents. The independent variable that has been use in this research is on job training, off job training, job enrichment and job rotation. The dependent variable has been use in this research is employee performance. A quantitative research approach of the data collection was adopted using a Likert-Scale questionnaire including 25 questions was formed and the number of respondents is 105 employees at Private Company in Malaysia. The research employed descriptive analysis, correlation analysis and regression analysis. This data was collected by this research and was analyzed by SPSS. The result shows that all independent variables have an insignificant impact on employee performance except Job enrichment which is reported to have a significant impact on the dependent variable. Future researchers are recommended to focused on other business sectors-and moreover explore the employee performance based on the training and development. Goldin (2016) on his study discusses these concepts historically and focuses on two major components of human capital: education and training. The institutions that encourage human capital investment are discussed, as is the role of human capital in economic growth. The notion that the study of human capital is inherently historical is emphasized and defended.

Maxwell Agabu Phiri & Thirnavellie Reddy (2016) sought to evaluate the need to measure human capital return on investment in training at the Department of Trade and Industry (DTI). The study's population, consisting of The Department of Trade and Industry (DTI) employees, comprised of 17 respondents. To achieve the paper's objective the researcher used questionnaires and the data collected was managed and analyzed using the Statistical Package for the Social Sciences (SPSS). The paper provides a theoretical background to understand and conceptualize the return on investment in training and measurement, the value of human capital in organizations, its benefits and its return on investment. An evaluation and assessment of current training programmes in the Department of Trade Industry Training Centre was carried out and compared to international best practices, in the field of training evaluation and measurement.

Doyle (1994).Reviewed how the private sector role in human capital investment is explored on two main streams. One is 'conventional' private sector investment in human capital: firms underwriting the cost of employee education and training. The other is private individuals investing in their own human capital. Most large, modern firms in the developed world tend to increasingly invest their money and energy in education and training programs insofar as it generates profitability. The author concludes that an investment in human capital will be treated as precisely as that in marketing, advertising and research and development where a competitive advantage is attainable.

Goldin. (2016) On his study discussed the concepts historically and focused on two major components of human capital: education and training. Doyle (1994).Reviewed how the private sector role in human capital investment is explored on two main streams. One is 'conventional' private sector investment in human capital: firms underwriting the cost of employee education and training. The other is private individuals investing in their own human capital. The author concludes that an investment in human capital will be treated as precisely as that in marketing, advertising and research and development where a competitive advantage is attainable. Neelam (2014) sought to investigate whether training and development has impact on employees' performance and productivity.

Maxwell Agabu Phiri & Thirnavellie Reddy (2016) sought to evaluate the need to measure human capital return on investment in training at the Department of Trade and Industry (DTI). Dr. David (2014) oh his study, sought to determine the impact of Training and Development on

public sector organizations using Ghana Ports and Harbors Authority (GPHA) as a case study. Shafiq et al (2017) on her study aimed to investigate the effect of training and development on employee performance.

The studies covered the effect of training and development on employee performance in the various organizations. They investigated the effect of training and development on productivity in the organization, performance, competitive advantage, economic growth and training feedback. They focused on private sectors, commercial banks, educational sectors and private organizations. None of them focused on training and development and on employee performance in the health sector. Knowledge on the effect of Training and development on employee performance in the health sector is lacking.

### **2.2.2 Employee Commitment and Employee Performance**

Human capital is considered to be one of the most important elements of company success. The process of developing human capital requires creating the necessary environments in which employees can learn better and apply innovative ideas, acquire new competencies, develop skills, behaviors and attitudes for the company to achieve its goals. Therefore, you can state that human capital development revolves more on development of new skills by the employees for quality production of products and services.

Jones (2015) Studied a model of skill development incorporating a cycle of assessment, feedback and reflection was devised for a subject introducing assessment and treatment skills in an entry-level physiotherapy program. The model reflects evidence-based principles of learning; an ongoing process, optimized by timely feedback with opportunities to apply new learning. To support the skill development model resources were designed and constructed to enable students to view skills and explore concepts (open access online guides and clinical reasoning model) prior to class – i.e. flipped classroom approach. This meant the class tutor, rather than using face-to-face time for demonstrations, was able to systematically observe and give feedback to individual students. This not only allowed individually tailored advice, it also facilitated the early detection of students who are struggling with the mechanics of manual techniques, the concepts underpinning skills and/or the interpersonal communication necessary for exposing body areas and other consent processes. The assessment of employee commitment involved two formats: a series of three practical skills tests and a submission of a skills diary. The skills tests were evenly

spaced across Semester (4 weeks apart) commencing for some students as early as week 2. Students prepared using a pre-released set of questions which focused their practice on recently introduced skills. Verbal feedback was given directly after each test and written feedback was distributed during the student's next practical class, enabling the student's tutor to assist with any re-mediation. The skills diary task, rewarded students for reflecting on successes and challenges of skill development and encouraged students to analyze learning needs and set ongoing goals for development.

Ashwani (2013) reviewed the importance of skills development for social and economic growth, particularly for promotion of youth employment and decent work, has led to an increased interest in the formulation of skills development policies. At the 2008 International Labour Conference, the ILO's tripartite constituency of governments, employers and workers adopted a set of Conclusions focusing on how investment in education and skills can help economies achieve dynamic growth with quality jobs. The Decent Work Agenda for Africa 2007-15 sets a target for three fourth of African countries to reform their skills policies by 2015. Similarly, the Southern African Development Community (SADC) has recommended its Member States, in the strategic framework for 2012-16, to develop Technical Vocational Education and Training (TVET) Policy. However, policy makers in various countries in SADC are grappling with the challenge of identifying effective policies and strategies for skills development and want to learn from the policies and experiences of other countries.

Rosli et al, (2017) sought to investigate the effect of soft skill acquisition and the training methodology adopted on employee work performance and reveals that the two predictors (soft skill acquisition and training methodology) significantly predict employee performance. The purpose of this paper is to investigate the effect of soft skill acquisition and the training methodology adopted on employee work performance. In this study, the authors study the trends of research in training and work performance in organizations that focus on the acquisition of technical or "hard skills" for employee training and evaluating work performance. This study was conducted to redirect the focus of employee training and development goals to the acquisition of soft skills, which have a very high and lasting impact on improving employee performance.

Abas-Mastura & Osman, (2013). On their study on today's employers highlight the workforce skills needed to thrive in this technological advancement era. The skills possessed and mastered by employees may affect their job performance level. The present research determined whether employees' employability skills correlate with task performance. It utilized a correlation design using survey questionnaires administered to 220 respondents. Descriptive data showed that fundamental, personal management and teamwork skills were highly preferred by employers and sufficiently acquired by employees. Positive attitudes and behaviors emerged as topmost preferred and acquired skill. Skill competence obtained moderately competent rating. Employers assessed task performance as satisfactory but employees rated task performance (job knowledge and commitment, quality of work, quantity of work and cooperation and judgment) as very satisfactory. Inferential analysis revealed that skill acquisition and skill competence had significant positive relationship to task performance. The acquisition and competence on employability skills valued by employers require continuous enhancement to succeed in job performance.

Heckman (2003). On his study of this article first presents the potential benefits that flow from investment in human capital. Then he discussed the empirical evidence on the rate of return to education in China. Next he considers alternative policy reforms that would foster skill acquisition and enable China to harvest the benefits of investment in human capital. Since so many studies from around the world demonstrate that education and skills are important determinants of economic growth, an important question for China and for many other countries is whether there is adequate investment in human capital. Is there underinvestment in education or overinvestment in education, relative to other types of investment?

Rastogi (2000). On his book, puts an emphasis on the human capital as the ultimate resource for sustaining the competitive performance of an organization over time. Such a dynamic resource needs to be continuously developed and sharply honed in the light of a firm's changing business environment and the logic of creating customer-valued outcomes. A human capital organization is characterized as a storehouse of business expertise; a growing pool of cutting edge competencies, skills, best practices, techniques, and tools; a collaborative collectivity of autonomous and peak performing employees; an exemplar of speed and brain power in all domains of its activity; an agile player responding rapidly to market shifts; and a bearer of a



culture of constant innovation and value creation. Chatterjee (2017) on his study finds that deliberate investments in improving general human capital can help firms develop superior capabilities and maintain high profits. This paper identifies two types of capabilities essential for success in this industry—technological and business-domain capabilities—and provides empirical evidence justifying such investments. Theoretical and practical implications of capability-seeking general human capital investments are discussed. The primary managerial implication of this research is that capability-seeking investments in developing general human capital through strategic learning (training and internal certifications) can enhance firm performance. Although investing in general human capital is risky, the firm considered this a strategic necessity in order to thrive in the fast paced IT services industry. By leveraging general technological skills in combination with business-domain knowledge to address customer's business problems firms can earn and sustain higher profits. Our study also demonstrates how a developing-country firm responded to strong competitive challenge from global rivals possessing superior capabilities by upgrading the capabilities of its employees through internal development. In doing so the firm was able to narrow the capability gap vis-à-vis its foreign peers and expand its business globally.

Psacharopoulos, & Patrinos, (2018).reviewed the highlights and the latest trends and patterns based on a database of 1,120 estimates in 139 countries. The review shows that the private average global rate of return to one extra year of schooling is about 9 percent a year and very stable over decades. Private returns to higher education have increased over time, raising issues of financing and equity. Social returns to schooling remain high, above 10 percent at the secondary and higher education levels. Women continue to experience higher average rates of return to schooling, showing that girls' education remains a priority. Returns are higher in low-income countries. Those employed in the private sector of the economy enjoy higher returns than those in the public sector, lending support to the productive value of education.

Halawi, Ali & Haydar, Nada. (2018). Sought to study the effect of training on employees performance in international humanities studies. Despite employing already experienced employees, human resource managers design training and development programs to make employees learn and achieve skills, ability, and knowledge about their responsibilities. Organizations do this with the understanding that employees form the backbone of organizations.

However, it is still unclear on how Lebanese companies achieve the level of education and training for their employees. The study collected primary data from a sample of 303 respondents. The researcher visited a sample of respondents from their workstations to administer questionnaires. The findings showed that the two companies from Lebanon design different training programs. The two companies design training programs that focus on short-term skills and development programs for long-term abilities. Some of the programs include organizing programs outside the workplace, attending workshops, participating in department activities, and watching others. Training programs benefited employees as well as the two companies. Employees cited that they were able to develop inner satisfaction, received positive evaluation feedback, understood how to achieve a quality output, and developed career beyond class work.

Farmer & Kingsley (2001). On their study based upon the economic context in a regional setting, the paper offers a rationale and an outline for developing a human capital approach to assess strategic resources needs for competitive success of different regions. The achievable process is referred to a creation of strategic human capital where there is the right mix of people and skills inside a given network that induces an extra-competitive advantage. The authors also claim that when economic development is aligned with ecological potentials, the technologies driving the necessary economic activities will be mobilized by higher-skilled, human capital-intensive companies. In a holistic view, regional competitiveness appears in the human capital theories as innovations that allow an area to differentiate their final product from some other source: offer better quality or unique features, thereby leading to a sustained advantage and a realization of true economic profits over the competitors.

Jones (2015), Ashwani (2013), Abas-Mastura & Osman, (2013). Heckman (2003). Rastogi (2000). On their study found out that education and skills are important determinants of economic growth, however Halawi, Ali & Haydar, Nada. (2018). Argued that Training programs benefited employees as well as the companies where employees cited that they were able to develop inner satisfaction, received positive evaluation feedback, understood how to achieve a quality output, and developed career beyond class work. Psacharopoulos, & Patrinos,. (2018). Found out that Those employed in the private sector of the economy enjoy higher returns than those in the public sector, lending support to the productive value of education benefiting mainly in private sectors.

The studies covered the effect of Employee Commitment on employee performance. They investigate the Employee Commitment in productivity on employee performance. The effect of Employee Commitment on economic growth and employee satisfaction. They focused on employees in the private sector and companies. None of them focused on Employee Commitment in the health sector employees. Knowledge on the effect of skills development on employee performance in the health sector is lacking.

### **2.2.3 Knowledge Management and Employee Performance**

Babalhavaeji & Kermani (2011). On their study on Knowledge Management (KM) has become a critical element in today's highly competitive, uncertain, and rapidly changing business environment. KM is the process of accessing experience, knowledge, and expertise that produces new skills, enables work performance, encourages innovation and creates customer value.<sup>1</sup> It creates a favorable environment for knowledgeable individuals to use and share their expertise and knowledge and create new knowledge. From a knowledge-based point of view, the most fundamental means of production are intangible; it is focused on human capital, i.e., the skills, experiences, competences, motivation for work, and the manner in which they use these skills for the benefit of the organization.

Riungu (2015) Studied the order of significance of the effect of knowledge management practices on performance of mobile telephone companies in Kenya starting with the most significant to the least is; knowledge creation, knowledge sharing, knowledge acquisition, knowledge implementation and knowledge storage respectively. Based on the findings, the study recommended that to enhance understanding of knowledge management on perception of staff in performance of organizations, management should undertake in house trainings on knowledge management. This would enable application of staff knowledge in organization so as to better manage and apply organizations' tangible and intangible knowledge assets, especially the professional knowledge, experiences and competencies of staff to improve organization's performance.

Seyed & Maryayee (2014) On their study aimed to explore the influence of knowledge management practices on employees' innovative performance in an organization perspective. Knowledge management practices within an organization can be defined by; knowledge acquisition, knowledge dissemination and finally responsiveness towards knowledge. In order to

test the influence of these variables on employees' innovative performance, seven hypotheses were developed based on the theoretical research framework. The quantitative survey approach was selected as the method to evaluate the significance of each hypothesis. The data collection results were from 384 usable questionnaires that had been previously distributed to multiple manufacturing firms in Malaysia. The results obtained from this research conclude that knowledge management plays a vital role on supporting employees' innovative performance within organizations. It also revealed that two types of knowledge management subcategories; knowledge acquisition and responsiveness to knowledge plays more significant role on encouraging employees' innovative performance in comparison with knowledge dissemination. The managerial implications and limitations of current study were also discussed in the paper.

Fatemeh & Jamal (2017) investigated the role of "tacit" knowledge sharing on organizational productivity. Accordingly, a framework was developed and hypotheses were drawn and tested where results demonstrated interesting insights into the role of sharing on organizational productivity. The survey, which was conducted at Koosa Bank of Iran, demonstrated that the employees' intention to share and consequently the sharing of tacit knowledge has direct positive impacts on productivity. In addition, our analysis demonstrated that not only productivity would increase as a result of knowledge sharing, but also employees' innovative contributions increased as a result of exposure to others' knowledge, expertise, and experiences.

Kannan & Akhilesh. (2002). Reviewed the essential need for managers to develop a behavioral tool to comprehend the factors that influence human capital knowledge value add so as to increase the organization value add. The proposed tool helps understand the knowledge professional's perceptions of the organization's culture toward intellectual enterprise, knowledge management support systems and processes, and individual value add, the perceived performance, innovation and consequences of quitting. The firm can move individuals to a more value-added position by giving them greater opportunities for knowledge sharing and capture, rewarding initiative, sharing and innovation as well as learning. Also, top management visibility and support, including increased leader involvement and guidance, can elevate feelings of belonging and importance to improve performance and the human capital knowledge value added.

Jamshidi & Mirabi (2011). Examined the impact of knowledge management (KM) on human resource (HR) performance in management of Keshavarzi bank branches in Tehran. It also considers prioritization of various elements of HR performance and proposes suggestions for improvement of performance through utilization of KM components. For purposes of this study, a questionnaire, including 21 questions, was implemented. First, reliability analysis was conducted to identify and eliminate irrelevant variables. The researchers also used Kolmogorov-Smirnov test to consider the normality of variables' distribution. Friedman rank order test was also performed on employee performance components. Finally, to analyze the impact of KM on employee performance and its components, one-sample t-tests were performed. In light of the results, KM significantly influenced HR performance as well as all performance components, except for environment. Directions for further research are also proposed.

LeBlanc *et al*, (2000). On their study supported the use of the human capital approach to indicate the improvement of the return on human capital. By adopting such an approach, it means that the firms have to view their employees as an investment to be optimized rather than a cost to be minimized. Human capital is optimized when there is significant 'knowledge,' 'motivation' and 'opportunity' to perform. A six-step process of the human capital approach is introduced to help managers to make a better decision on the investment of the human capital. They are in a sequential order:

Ghanbari, *et al* (2017) Studied the effect of knowledge management on personnel performance. This paper is searching the effect of component of knowledge management (create knowledge, acquisition knowledge, capture knowledge, transmission knowledge, application knowledge, organizational knowledge) on personnel performance. Population of this study was all personnel from Bandar Abbas Payame Noor University, that among a random sample of 54 personnel were selected for the study. The research method was descriptive-survey and data collecting tool was questionnaire and knowledge management process was measured based on the five dimensions such as registration knowledge, acquisition knowledge, transfer knowledge, create knowledge, application knowledge, organizing knowledge which its validity was face validity and its reliability was established through Cronbach's alpha. Data analysis was performed by spss software using descriptive and inferential statistics such as Pearson correlation, one-way Anova,

t test. The result indicated that there was a sincere relationship between knowledge management and component of knowledge management with personnel performance. Also, there was a sincere relationship between years of service and personnel performance but no sincere relationship was observed between personnel performance and gender, education.

Fouzia & Rahat (2011) explored the relationship between Motivation, knowledge sharing and individual performance. First, it is argued that Motivation should be associated with Knowledge Sharing, second that Knowledge Sharing and individual Performance are strongly associated to each other. Next, the conceptual relationship between Motivation, knowledge sharing and individual performance has been established. After that, corresponding prepositions on Motivation and knowledge sharing and its relationship on individual performance has been given. This study adds to the understanding of the effects of knowledge sharing on individual performance, and gives implications to the practice of knowledge sharing.

Rappleye (1999).Sought to ascertain the growing realization that investment in human capital has the potential to become the next great tidal movement in work and life, just as the information-technology revolution supplants the industrial revolution. The article reflects a diverse view of human capital management in creating a competitive advantage through the sight of professionals of HR consulting firms and HR directors of leading international companies. The avenue to achieve that notion takes a multifaceted effort of all managers at all levels to bring together the essential enablers of human capital in business. They are people's competence, corporate culture, internal development, employee engagement, communication, and creative learning.

Nordhaug (1993).In his book outlined and discussed the important conceptual, theoretical, and empirical aspects of human capital in organizations. The author claims that it is necessary to develop groundwork for the study of individual competences, competence bases, and competence networks in firms. With regard to the individual context, the employee competences (defined as the knowledge, skills and aptitudes that are relevant for work), which influence the actual performance, are categorized into six typologies: Meta-competences, industry competences, intra organizational competences, standard technical competences, technical trade skills, and unique competences. Drawing on insights from the organization theory, the corporate context of the competences is established (e.g. task specificity, unit specificity, internal relation

specificity, durability, diversity, internal exclusiveness, and transferability). In terms of competence networks, competence configuration and competence flow are discussed to mark the analytical perspective of the firms' competence systems. Moreover, the empirical research shows that training and development contributes to human capital provision in organizations. Kannan & Akhilesh. (2002). Reviewed the essential need for managers to develop a behavioral tool to comprehend the factors that influence human capital knowledge value add so as to increase the organization value add. The proposed tool helps understand the knowledge professional's perceptions of the organization's culture toward intellectual enterprise, knowledge management support systems and processes, and individual value add, the perceived performance, innovation and consequences of quitting. The firm can move individuals to a more value-added position by giving them greater opportunities for knowledge sharing and capture, rewarding initiative, sharing and innovation as well as learning. Also, top management visibility and support, including increased leader involvement and guidance, can elevate feelings of belonging and importance to improve performance and the human capital knowledge value added

Ghanbari, *et al* (2017), found out that there was a sincere relationship between knowledge management and component of knowledge management with personnel performance. Whereas Fouzia & Rahat (2011) argued that the effects of knowledge sharing on individual performance, gives implications to the practice of knowledge sharing however no effect on personnel performance had. Jamshidi & Mirabi (2011). Found out that KM significantly influenced HR performance as well as all performance components, except for environment, while on the other hand Seyed & Maryayee (2014) argued that knowledge management plays a vital role on supporting employees' innovative performance within organizations. Annan & Akhilesh.(2002). Found out that the firm can move individuals to a more value-added position by giving them greater opportunities for knowledge sharing and capture, rewarding initiative, sharing and innovation as well as learning and not only supporting performance within the organization. The studies covered the effect of knowledge management on employee performance. They investigated the Knowledge management on employee performance in organizations, the impact of knowledge management in the organization and the relationship between knowledge share ring and individual performance in the organization. They focused on individual organizations, Banking sectors and Private firms. None of them focused on the health sector. Knowledge on the effect of knowledge management on employee performance in the health sector is lacking.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This section presents the methodology that the researcher intends to use to conduct the study. It outlines the research design, study area, target population, sample size, sampling technique, data type and source, data collection method, instrument validation and reliability test, data analysis and presentation.

#### **3.2 Research Design**

This study adopted correlational research design. Both qualitative and quantitative approaches were used. A research design functions as the research blue print for measurement and analysis of data. Kothari (2004) describe a research design as a plan and a structure of investigation conceived to find answers to research questions. According to Mugenda and Mugenda (2003), correlational research design is connected with providing solutions to the problems. It is found suitable for examining effect.

#### **3.3 Study Area**

The study was conducted in Kisumu County. Jaramogi Oginga Odinga Teaching and Referral Hospital is located in Kisumu city between Kondele and Kibuye along Kisumu- Kakemga highway. Currently, this hospital serves more than 100 districts and sub-district hospitals in Western region of Kenya including larger hospitals such as Kakamega provincial general hospital which is located about 60 kilometers from Kisumu. . It serves County, Sub-County and Private Hospitals in more than 10 counties in the Western Kenya Region with a population of more than 5 million.

JOOTRH is a center for research and learning for various students and staffs in various professions. For instance students undertake their medical attachment at various departments in the hospital. Most institution across the country benefit benefits from this program including Kisumu Medical Training College which is located next to the hospital and Maseno University which sends its students to this hospital for weekly rotations. The hospital also provides an environment for various research works carried out by the Kenya Medical Research Institute and other institutions such as Center for Disease Control. Since then it has grown to become the



referral hospitals in more than 100 district and sub-district hospitals in more mandate is to provide curative, preventive, promotive and rehabilitative health services

### 3.4 Target Population

According to Mugenda and Mugenda (2008), Population refers to the entire group of individuals, events or subjects having common observable characteristics. The total population of this study will constitute respondents from Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County. The Hospital is divided into several units namely: Obama children's hospital, critical care unit, maternity and newborn unit, pharmacy, renal unit, laboratory and X-Ray unit. High Dependency unit (HDU), Dental unit, Patient support Centre (PSC), Medical surgery unit, among others. Employees in the county referral hospital will constitute the study population.

The sample size was determined by modified Cochran formula.

The Cochran formula is:

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where:  $n_0$  is the sample size,

$Z^2$  = the abscissa of the normal curve that cuts off an area  $\alpha$  at the tails;  $(1 - \alpha)$  equals the desired confidence level, e.g., 95%);  $e$  is the desired level of precision,

$P$  = the estimated proportion of an attribute that is present in the population, and  $q$  is  $1 - P$

$Z$  = Level of confidence found in statistical tables which contain the area under the normal curve. e.g  $Z = 1.96$  for 95 % level of confidence

Cochran correctional formula was used since the sample population is below 50,000

Cochran correctional formula for smaller population

$$N1 = n0 / (1 + n0/P)$$

$$N1 = 200 / (1 + 200/180)$$

$$N1 = 138$$

The sample size required for the study was 138 respondents.

(Cochran 1977)

Sample distribution

**Table 3.1: Population Distribution**

<b>NO</b>	<b>UNIT NAME</b>	<b>NUMBER OF THE UNIT EMPLOYEES</b>	<b>Sample Size</b>
1	Obama Children's Hospital	55	42
2	Critical care unit	30	28
3	Maternity and newborn unit	40	32
4	Pharmacy	20	18
5	Renal unit	10	9
6	x-Ray Unit	10	9
7	Laboratory	35	18
<b>TOTAL</b>		<b>200</b>	<b>138</b>

**Source: Office of Human Resource of Jaramogi oginga odinga county hospital under the study (2018)**

### **3.5 Sampling Size and Sampling Procedure**

According to Mugenda and Mugenda (2008), a Sample should have ability to represent characteristics in population. The unit of analysis for the study was employees in the Human Resources offices. The target population will constitute a sample of respondents from the county hospital. The county hospital has a total of 7 units namely: Obama children's hospital, critical care unit, maternity and newborn unit, pharmacy, renal unit, laboratory and X-Ray unit. Employees in the county referral hospital will constitute the study population. Random sampling was adopted to select respondents.

### **3.6 Sampling Technique**

Cluster sampling was used with each unit forming a cluster.

### **3.7 Data Type and Source**

Both primary and secondary data will be used. The primary data for the study came from interviews and questionnaires, while secondary data was gathered through library research and internet search.

### **3.8 Data Collection Method**

Primary data was collected using self-administered structured questionnaire. Secondary data was collected through document review, library research and internet search.

#### **3.8.1 Questionnaires**

Self-Structured questionnaires were administered to employees working in the seven selected units of the county hospital. The questionnaire comprised of questions related to an evaluation of modes of internal communication during doctor's strike and its effects on employee's performance. (Appendix: B)

#### **3.9 Instrument Validation and Reliability Test**

Expert opinion was sought on the data collection instruments. The researcher's supervisor provided this opinion. This helped in validity check. It was also pre-tested on 20 conveniently chosen respondents to check for reliability. Reliability test was ascertained through Cronbach's alpha test that was conducted on pilot data from 10 respondents for determination at a coefficient of 0.7 and above. The correlation coefficient (r) of halves was correlated by Brown prophecy (Re) is SPSS to yield a correlation coefficient. For this study reliability of 0.75 was accepted. The results revealed a reliability value of 0.81 which was above the 0.7 threshold thus implying that the instrument was reliable.

#### **3.10 Data Analysis and Presentation**

Qualitative data obtained from interviews was transcribed and organized into various themes and sub themes according to study objectives. The data was then be reported in narrative way. Regression analysis was used to determine the effect of human capital investment on employee performance in Kisumu county referral hospital.

#### **Model Specification**

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

Source: Adapted from Fairchild and MacKinnon (2009)

- Y = Employee Performance
- X<sub>1</sub> = Employee Training and development
- X<sub>2</sub> = Employee knowledge management

$X_3$	=	Employee commitment
$\beta_0$	=	Y intercept in the equation
$\beta_1$	=	measure of effect of Training & development on employee performance
$\beta_2$	=	measure of effect of employee knowledge management on employee performance
$\beta_3$	=	measure of effect of Employee commitment on employee performance
$\varepsilon$	=	error term

### **3.11 Research Ethics**

The research sought an approval to collect data from the institution before its commencement. This ensured that the research undertaking got the requisite protection and all the anonymity and confidentiality concerned. An introduction letter was drafted to seek for authority to collect data from the institutions employees. A reassurance was given to the various departments that the conditions would be observed and complied with as expected. These were formalized through signing of a confidentiality statement by the researcher. The informed consent signed by participants also assured them of the parameters of confidentiality of the information supplied by them. Any limits of confidentiality was clearly specified (Terre, Blanche and Durrheim 1999). The essential purpose of ethical research was to protect the welfare and the rights of research participants, although there are many additional ethical considerations that will be addressed in the planning and implementation of research work. Obtaining consent from participants was not merely the signing of a consent form; consent was voluntary and informed. This required that participants receive full, non-technical and clear explanation of the tasks expected of them so that they can make an informed choice to participate voluntary in the research” (Blanche and Durrheim 1999).

## CHAPTER FOUR

### FINDINGS AND DISCUSSIONS

#### 4.1 Introduction

Overall objective of this study was to establish the effect of human capital investment on employee performance in Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County in Kenya. Specifically the study sought to examine the effect of knowledge management on employee performance in Kisumu county referral hospital; to determine effect of employee training and development on employee performance in Kisumu county teaching and referral hospital; and to ascertain the effect of Employee Commitment on employee performance in Kisumu county teaching and referral hospital. First, the response return rate of the respondents is presented. Demographic characteristics are then presented followed by the findings on each objective of the study.

#### 4.2 Response Return Rate

The findings of the respondents' response return are presented as shown in Table 4.1 as follows using frequency counts and percentages.

**Table 4.1 Response Return Rate**

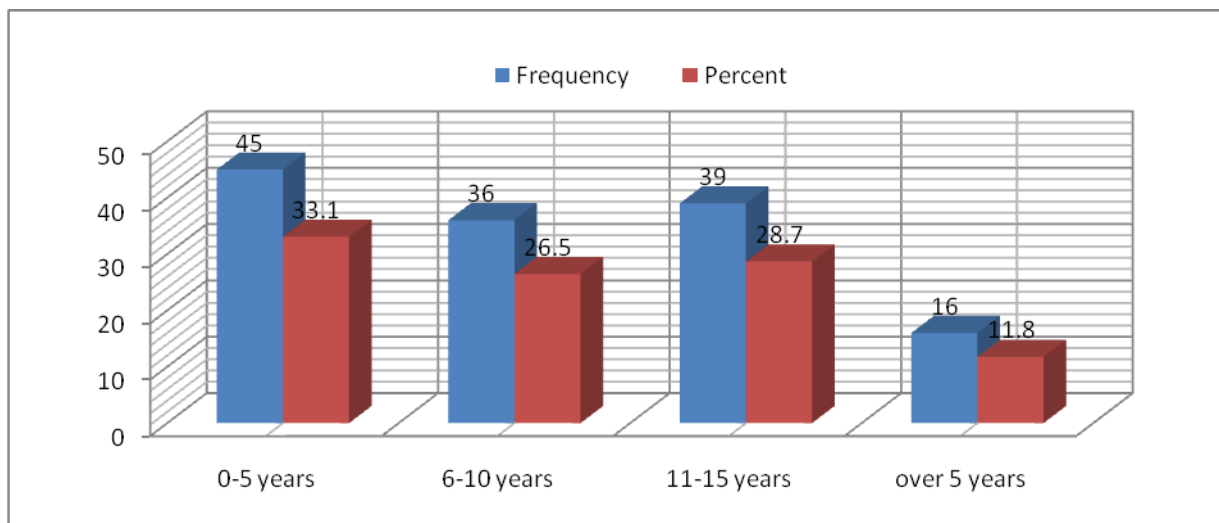
Unit Name	Sample number of employees	Response Return f (%)
Obama Children's Hospital	42	41(97.62)
Critical care unit	28	28(100.00)
Maternity and newborn unit	32	31(96.87)
Pharmacy	18	18(100.00)
Renal unit	9	9(100.00)
x-Ray Unit	9	9(100.00)
Laboratory	18	18(100.00)
<b>TOTAL</b>	<b>138</b>	<b>136(98.55)</b>

The findings in Table 4.1 indicates that there was an overall response return rate of 98.55%, which imply that out of 138 questionnaires that were administered, only 136 were fully

recovered completely filled. This 136 transformed to percentage yielded 98.55% which is a good response return. This means that the researcher achieved the right target response on the variables that were tested.

### 4.3 Demographic Characteristics of the Respondents

The second findings entailed the demographic characteristics of the respondents. The findings on the number of the years that the employees of Jaramogi oginga Odinga Teaching and Referral Hospital had served in the Hospital were presented as shown in Figure 4.1.



**Figure 4.1: Period Employees have served in the Institution**

The findings indicate that the largest category of employees, 45(33.1%) had served for a period of 0-5 years. The second largest category, 39(28.7%) had served for a period of 11-15 years, followed by 36(26.5%) who had served for a period of 6-10 years. Only 16(11.8%) had served for a period of over years. It is clear to note that even though the largest category of the employees had served for a period of 0-5 years, cumulatively, 66.9% had served for a period of 6 years and more. This implies that these employees were the right target for the study since majority of them had enough experience based on the years they had served and therefore had enough information on the study subject and the institution.

The other study character was employees whereabouts of the number of major units or departments that exist within the institution. All the employees indicated that there were a total

of 6 units. This implies that all the sample employees were aware of the number of the departments in the institution.

#### 4.4 Employee Performance

The study sought to determine employees performance based on the subscales or the three measures that were adopted. These include: attendance and punctuality, quality of work, and cost effectiveness. The findings are presented in the subsequent Tables and discussed appropriately starting with Table 4.2 that follows.

**Table 4.2: Attendance and Punctuality**

Attendance and Punctuality	Scale used					Mean MN	STD SD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)		
Employee attendance		8(5.9)	15(11.0)	61(44.9)	52(38.2)	4.15	.842
Employee punctuality		8(5.9)	37(27.2)	47(34.6)	44(32.4)	3.93	.912
Reduction of time wastage in activities		15(11.0)	22(16.2)	48(35.3)	51(37.5)	3.99	.993
Numbers of projects completed against numbers scheduled			39(28.7)	46(33.8)	51(37.5)	4.09	.812
Target quotas and goals met easily than before		15(11.0)	54(39.7)	52(38.2)	15(11.0)	3.49	.834
Speed of achieving targets increased		23(16.9)	30(22.1)	52(38.2)	31(22.8)	3.67	1.01
Overall mean and standard deviation						3.888	.686

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**

The findings indicate that employee attendance was high (MN=4.15, SD=.842) as indicated by majority, 52(38.2%) of the respondents as well as employee punctuality (MN=3.93, SD=.912) with majority, 44(32.4%) of the respondents who indicated very and 47(34.6%) high. Reduction of time wastage was highly rated (MN=3.99, SD=.993) with majority, 51(37.5%) of the respondents indicating that it was very high. It is also clear from the findings that majority of the employees, 51(37.5%) rated the number of projects completed against numbers scheduled as high (MN=4.09, SD=.812) whereas majority, 54(39.7%) were neutral (MN=3.49, SD=.834) on

the target quotas and goals being met easily than before. Majority of the employees, 52(38.2%) indicated that speed of achieving targets increased, although in overall, the mean and standard deviation showed neutral (MN=3.67, SD=1.011) response. The overall mean response indicated a slightly high above average response on employee attendance and punctuality implying that they performed averagely.

**Table 4.3: Quality of Work**

Quality of Work	Scale used					Mean	STD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)	MN	STD
Completion rates of tasks		8(5.9)	8(5.9)	68(50.0)	52(38.2)	4.21	.799
Conformity with standards		8(5.9)	23(16.9)	74(54.4)	31(22.8)	3.94	.796
Quality of essential services in the Hospital			39(28.7)	38(27.9)	59(43.4)	4.15	.839
Reduction in number of complaints about services in the Hospital		23(16.9)	54(39.7)	44(32.4)	15(11.0)	3.38	.894
Delivery of quality services to customers		31(22.8)	8(5.9)	54(39.7)	43(31.6)	3.80	1.121
Improved skills to work with others at work		8(5.9)	53(39.0)	60(44.1)	15(11.0)	3.60	.763
Overall Mean and Standard Deviation						3.846	.689

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**

The findings indicate that completion rates of tasks are high (MN=4.21, SD=.799) as indicated by majority of the respondents, 52(38.2%), as well as quality of essential services in hospital (MN=4.15, SD=.839). It is also clear from the findings that conformity with standards (MN=3.94, SD=.796), delivery of quality services to customers (MN=3.80,SD=1.12) and improved skills to work with others (MN=3.60,SD=.763) had slightly above average means. The findings also showed that majority of the employees, 74(54.4%), 54(39.7%) and 60(44.1%) qualified these findings respectively, indicating high performance. However, reduction in number of complaints about services in the Hospital was lowly rated (MN=3.38, SD=.894) with majority of the employees 54(39.7%) showing low rating. The overall mean indicated that quality of work performance measure was low but slightly above average (MN=3.846,



SD=.689). These findings imply that there is average performance for quality of work among employees at the hospital.

**Table 4.4: Cost –effectiveness**

Cost –effectiveness	Scale used					Mean	STD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)	MN	STD
Reduction in level of physical resource wastage		8(5.9)	38(27.9)	68(50.0)	22(16.2)	3.76	.791
Numbers of projects completed against numbers scheduled		8(5.9)	47(34.6)	44(32.4)	37(27.2)	3.81	.907
Reduction in numbers of staff in different functions of the Hospital		15(11.0)	45(33.1)	54(39.7)	22(16.2)	3.61	.888
Increased attachment and Professional Obligation			30(22.1)	69(50.7)	37(27.2)	4.05	.703
Understanding of Job responsibilities				77(56.6)	59(43.4)	4.43	.497
Increased contribution toward achieving the organizational goals		8(5.9)	37(27.2)	30(22.1)	61(44.9)	4.06	.980
Overall Mean and Standard Deviation						3.95 4	.368

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**

The findings indicate that reduction in level of physical resources was averagely (MN=3.76, SD=.791) rated even though majority, 68(50.0%) of the respondents indicated that it was high. It is also clear from the findings that numbers of projects completed against numbers scheduled was averagely (MN=3.81, SD=.907) rated with majority of the employees, 47(34.6%) remaining neutral on it. Reduction in numbers of staff in different functions of the Hospital as performance was also averagely (MN=3.61, SD=.888) rated whereas majority of the employees, 54(39.7%) indicated that it was high. Other aspects of cost-effectiveness were highly rated. These include; Increased attachment and Professional Obligation (MN=4.05, SD=.703), Understanding of Job responsibilities (MN=4.43, SD=.497) and Increased contribution toward achieving the organizational goals (MN=4.06, SD=.980). Majority of the employees; 69(50.7%), 77(56.6%)

and 61(44.9%) also rated it as high and very high respectively. The overall mean indicated that cost-effectiveness was rated as high, implying that employees performed highly on this aspect.

#### 4.5 Summary Model Results on Effect of Human Capital Investment on Employee Performance

The summary model Results on the percentage variance in employee performance accounted for by human capital investment are presented as shown in Table 4.5 that follows.

**Table 4.5: Summary Model Results**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. Change	F
1	.592 <sup>a</sup>	.351	.336	.43658	.351	23.772	3	132	.000	

a. Predictors: (Constant), Development and Training, Employee Commitment, Knowledge Management

In these results, R value indicates the multiple correlation between the predictor variables of human capital investment and employee performance. The R square value is the squared value from the R value, which is the variance in employee performance accounted for by human capital investment. The R square adjusted value is the value obtained after controlling for the over-estimation of the R square value through shrinkage so as to obtain the true population value. F change indicates that measure of the F-test that the model is not by chance but instead as a result of carefully fitting it. The R square change is same as the R square since no other set of variables were introduced in the model. The notation df1 indicates the degrees of freedom (the number of independent variable in the model, which is 3) while the df2 is the degrees of freedom, simply the sample size less 1 and less the number of independent variables.

Therefore the findings reveals that human capital investment accounted for 35.1% change in employee performance ( $R^2=.351$ ), which was significant ( $F(3, 132)=23.772, p=.000$ ). This implies that out of 100%, human capital investment explains up to 35.1% variance in employee performance leaving the rest of the percentage unexplained or explained by other factors.

#### 4.6 Model Coefficient Results

The second set of the model output is that of the model coefficient results. The findings are presented as shown in Table 4.6. It is important to note that the findings are explained using the

standardized coefficient values (beta-β) so as to compare the three independent coefficients rather than using the model equation.

**Table 4.6: Model Coefficient Results**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
1 (Constant)	.915	.427		2.143	.034
Knowledge Management	.495	.134	.445	3.707	.000
Employee Commitment and Development Training	.274	.117	.219	2.333	.021
	-.038	.131	-.030	-.292	.771

a. Dependent Variable: Employee Overall Performance

In Table 4.6, the findings indicate that only two of the independent variables have a positive effect on the dependent variable. The remaining one has a negative effect and is not significant. The findings are presented as discussed in the subsequent sections objectively in detail.

#### **4.7 Effect of Knowledge Management on Employee Performance in Kisumu County**

The first objective of the study was to examine the effect of knowledge management on employee performance in Kisumu county referral hospital. An overview of the knowledge management rating was presented first in order to determine its extent. The findings are presented as shown in Table 8 that follows using frequency counts and percentages.

**Table 4.7: Knowledge Management**

Knowledge Management	Scale used					Mean	STD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)		
Knowledge management plays a vital role on supporting employees innovative performance within organizations			23(16.9)	31(22.8)	82(60.3)		
						4.43	.767
Knowledge management move individuals to a more value-added positions			46(33.8)	68(50.0)	22(16.2)		
						3.82	.687
Knowledge management helps managers to make better decisions on the investment of human capital		7(5.1)	39(28.7)	54(39.7)	36(26.5)		
						3.87	.864
Knowledge management contributes to exposure on knowledge, expertise and experiences.		8(5.9)	22(16.2)	54(39.7)	52(38.2)		
						4.10	.880
Knowledge management pays a vital role on supporting employee innovative performance		8(5.9)	21(15.4)	67(49.3)	40(29.4)		
						4.02	.830
Knowledge management enable application of staff knowledge in the organization			23(16.9)	52(38.2)	61(44.9)		
						4.28	.737
Overall mean and Standard Deviation						4.08 9	.482

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**

The findings on in Table 4.7 indicates that knowledge management plays a vital role on supporting employees innovative performance within organizations and was rated highly (MN=4.43, SD=.767) by majority, 82(60.3%) of the employees. It is also clear that knowledge management) move individuals to a more value-added positions as indicated by majority, 68(50.0%) of the employees with a high (MN=3.82, SD=.687) average rating . It helps managers to make better decisions on the investment of human capital highly (MN=3.87, SD=.864) also indicated by majority, 54(39.7%) of the employees, and highly (MN=4.10, SD=.880) contributes to exposure on knowledge, expertise and experiences as indicated by

majority, 54(39.7%) of the employees. The findings further indicates that knowledge management highly (MN=4.02, SD=.830) plays a vital role on supporting employee innovative performance as supported by majority, 67(49.3%) and 40(29.4%) of the employees indicating high and very high respectively. Finally, the findings indicates that knowledge management highly (MN=4.28, SD=.737) enable application of staff knowledge in the organization, which was also affirmed by majority, 61(44.9%) of the employees. Averagely, the findings indicated that knowledge management was high (MN=4.089, SD=.482) in the hospital implying that it was highly practiced.

In order to establish the effect of knowledge management on employee performance, the standard multiple regression results were examined. From the findings, it is clear that knowledge management has a positive unique contribution on employee performance ( $\beta=.445$ ,  $t(136)=3.707$ ,  $p=.000$ ) implying that it has a positive effect. Further analysis of the model coefficient while squaring it indicates a value of 0.198, which if multiplied by 100% yields 19.8%. It can therefore be said that knowledge management accounts for 19.8% change in employee performance. Since this effect is significant, it can be concluded that knowledge management has a positive effect on employee performance such that as the employees knowledge is well managed, performance increases.

The findings of this study are in line with Riungu (2015) findings which revealed that the most significant knowledge management to the least is; knowledge creation, knowledge sharing, knowledge acquisition, knowledge implementation and knowledge storage respectively. Seyed & Maryayee (2014) also concluded that knowledge management plays a vital role on supporting employees' innovative performance within organizations. In addition Fatemeh & Jamal (2017) not only productivity would increase as a result of knowledge sharing, but also employees' innovative contributions increased as a result of exposure to others' knowledge, expertise, and experiences. Other authors such as Kannan & Akhilesh. (2002), Jamshidi & Mirabi (2011), LeBlanc *et al*, (2000) among others support the finding that knowledge management has a positive effect on employee performance. It can thus be concluded that knowledge management has a positive effect on employee performance.

#### 4.8 Effect of Employee Training and Development on Employee Performance in Kisumu County

The second objective of the study was to determine effect of employee training and development on employee performance in Kisumu county teaching and referral hospital. The findings on the extent to which training and development was practiced was therefore sought before establishing the main objective. The findings are presented as shown in Table 4.8 using frequency counts and percentages.

**Table 4.8: Training and Development**

Training and Development	Scale used					Mean MN	STD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)		
Training enhances job focus			24(17.6)	59(43.4)	53(39.0)	4.21	.724
Employees are more inspired to meet their goals at work due to staff trainings			38(27.9)	62(45.6)	36(26.5)	3.99	.740
trainings empowers staff to achieving degree of independence associated with work roles			31(22.8)	68(50.0)	37(27.2)	4.04	.708
Training within the organization gives employees the necessary skills to work in tasks from start to the end			23(16.9)	66(48.5)	47(34.6)	4.18	.698
Training inclines staff to the organizational vision			53(39.0)	38(27.9)	45(33.1)	3.94	.850
		8(5.9)	8(5.9)	91(66.9)	29(21.3)	4.04	.714
<b>Overall Mean and Standard Deviation</b>						4.13 9	.419 8

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**

The findings in Table 4.8 indicates that majority, 59(43.3%) rating on job focus enhancement by training was high (MN=4.21, SD=.724). They, 62(45.6%) of the employees also indicated highly (MN=3.99, SD=.740) that employees are more inspired to meet their goals at work due to staff trainings. It further emerged from majority, 68(50.0%) of the employees that trainings highly (MN=4.04, SD=.708) empowers staff to achieving degree of independence associated with work roles. Majority of the employees, 66(48.5%) also highly (MN=4.18, SD=.698) rated the fact that training within the organization gives employees the necessary skills to work in tasks from start to the end. Fifty three, 39.0% of the employees however indicated that training inclines staff to the organizational vision although averagely, the rating was high (MN=3.94, SD=.850) as shown by mean. Finally, the overall finding indicated that training and development in the hospital is high (MN=4.04, SD=.714) which implies that it is practiced.

In order to establish the effect of knowledge management on employee performance, a standard multiple regression model was carried out. The findings on the standardized coefficient value of training and development revealed that it was negative and non significant ( $\beta=-0.30$ ,  $t(136)=-.292$ ,  $p=.771$ ). This implies that when all the variables are compared, development and training had little or no effect on employee performance. This could be due to the overlapping effect leading to type two error. The actual scenario from theoretical basis is that training and development should have a positive effect on employee performance. Therefore there is need for further research on the objective for more details on the independent effect on employee performance while adopting simple linear regression model.

These findings fail to agree with those of Aidah (2013) who studied the impact of employees' training and development on organizational performance and found that training and development is a necessity in every companies particularly for the unskilled or the less experience employees. Similarly, David (2014) found that training had a positive impact on employee performance while Neelam (2014) found a significant relationship between training and development. However, Shafiq et al (2017) found an insignificant impact on employee performance except Job enrichment which is reported to have a significant impact on the dependent variable. Given the present finding of non-significant effect, it can be concluded that at the study area, training and development may not have a significant effect on employee performance unless other factors are incorporated.

#### 4.9 Effect of Employee Commitment on Employee Performance in Kisumu County

The final objective of the study was to ascertain the effect of Employee Commitment on employee performance in Kisumu county teaching and referral hospital. The findings on the practice of employee commitment among the employees in the institution are present as shown in Table 4.9 using means frequency counts, means, and standard deviations.

**Table4.9: Employee Commitment**

Employee Commitment	Scale used					Mean	STD
	VL (1) f (%)	L (2)	M (3)	H (4)	VH (5)	MN	STD
Employee Commitment is important determinant of organization growth			37(27.2)	44(32.4)	55(40.4)	4.13	.815
Employee Commitment benefit employees and they develop inner satisfaction, achieve quality output			14(10.3)	83(61.0)	39(28.7)	4.18	.599
Employee Commitment lend support to productive value in the organization			44(32.4)	46(33.8)	46(33.8)	4.01	.816
Employee Commitment offer better quality or unique features, thereby leading to a sustained advantage to competitors		7(5.1)	23(16.9)	38(27.9)	68(50.0)	4.23	.911
Employee Commitment reward employees for reflecting on success and challenges of Employee Commitment			30(22.1)	68(50.0)	38(27.9)	4.06	.707
Employee Commitment is important for employee promotion and decent work			38(27.9)	30(22.1)	68(50.0)	4.22	.858
Overall Mean and Standard Deviation						4.06 6	.428 1

**KEY: VH-Very High (5); H-High (4); M-Moderate (3); L-Low (2); VL-Very Low (1) MN-Mean; SD-Standard Deviation**



From the findings as indicated in Table 4.9, it is shown that employee commitment is an important determinant of organization growth as revealed by majority, 55(40.4%) of the employees who highly, (MN=4.13, SD=.815) rated it. It also emerged that employee commitment highly (MN=4.18, SD=.599) benefits employees and they develop inner satisfaction, achieve quality output as rated by majority 83(61.0%) of the employees. They also indicated that it highly (MN=4.01, SD=.816) lends support to productive value in the organization as revealed by majority, 46(33.8%) and highly (MN=4.06, SD=.707) rewards employees for reflecting on success and challenges of Employee Commitment as revealed by 68(50.0%) of the employees. The findings high (MN=4.22, SD=.858) rating also shows that employee commitment is important for employee promotion and decent work as indicated by majority, 68(50.0%) of the respondents as well. An overall mean on employee commitment revealed a high rating (MN=4.06, SD=.428) implying that there was satisfactory employee commitment.

To establish the effect of employee commitment on performance, the findings on the standard multiple regression model were re-examined. It is clear that employee commitment has a positive unique contribution on performance, which is also significant ( $\beta=.219$ ,  $t(136)=2.33$ ,  $p=.021$ ). If this value is squared, a value of 0.048 is obtained. Multiplying the value by 100% results to 4.8% implying that employee commitment explains 4.8% variance in performance and has a positive significant effect on performance. Therefore it can be concluded that employee commitment has a positive effect on performance.

These findings agree with those of Jones (2015) who found that skills diary task, rewarded students for reflecting on successes and challenges of skill development and encouraged students to analyze learning needs and set ongoing goals for development. In addition, Ashwani (2013) supports the findings by indicating that skills development are important for social and economic growth, particularly for promotion of youth employment and decent work, has led to an increased interest in the formulation of skills development policies. Rosli et al, (2017) found that skill development has a positive impact on employee performance while Abas-Mastura & Osman, (2013) results indicated that skill acquisition and skill competence had significant positive relationship to task performance. Based on this review and others who support the present findings, it can be concluded that employee commitment has a positive effect on performance.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter presents the summary, conclusions and recommendations of the study based on the objectives. The overall objective of the study was to establish the effect of human capital investment on employee performance. The contents are presented in the subsequent sections.

#### **5.2 Summary of Findings**

The first objective of the study sought to establish the effect of knowledge management on employee performance. Both descriptive and inferential statistics were analyzed. The findings revealed that there was some extent of practice of knowledge management in the hospital. It was also clear from the findings that knowledge management had some effect on employee performance.

The second objective of the study sought to determine the effect of employee training and development on employee performance in Kisumu county teaching and referral hospital. Descriptive findings revealed that employee training and development was done in the institution. However, it was interesting to discover that employee training and development had non-significant effect on employee performance.

The final objective of the study sought to determine the effect of employee commitment on employee performance. Descriptive findings indicated that there was a high rating on employee commitment. From inferential statistics, it was clear that employee commitment had a positive significant effect on performance.

#### **5.3 Conclusions**

From the study findings, it is imperative to note that knowledge management among employees is a very important factor that contributes to performance. Given that employees have enough knowledge on a particular subject, how an organization manages it may determine how the employees performance. In the present study, there was proper management of the employees' knowledge thus leading to an effective use. It can thus be concluded that knowledge management forms a strong determinant of employee performance and has a positive effect.

Employee training and development is theoretically believed to have a positive impact on employee performance. However, it may not be true in all situations. Even though most authors

have found a positive effect on employee training and development on their performance, its can be argued that training may not determine their performance but the organizations performance. Therefore there is no clear effect of employee training and development on performance. It can therefore be concluded from the present study that employee training and development does not have a positive effect on performance in all cases.

Finally, the study sought the effect of employee commitment on performance. Employee commitment means that they endeavor their work and esteem it highly in any given organization. As a results, they spend more time and skills on the same thus resulting to commitment. In the present study, it was found that employee commitment has a positive effect on performance, which also leads to the same conclusion that when employees are more committed to their work, their performance improves.

#### **5.4 Recommendations**

From the study findings, it was clear that knowledge management among the employees results to improvement in their performance. It can therefore be recommended that employees be assessed to establish their level of knowledge more often so as to make use of it and improve their performance.

The findings also revealed that employees' training and development is practiced in the organization. However, it did not have a positive or significant effect on performance. It can be recommended that the organizations need to enhance their training and development or change the mode of training with a different approach so as to improve employee performance.

Finally, it is important to tie employee commitment with some motivation. Given that employee commitment results in better performance, organizations are advised to ensure that employees are more motivated and their efforts recognized so as to improve their performance.

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**APPENDICES**

**APPENDIX I: Letter of Introduction**

C/O DEPT. OF BUSINESS ADMINISTRATION

SCHOOL OF BUSINESS AND ECONOMICS

MASENO UNIVERSITY

P.O BOX 333

MASENO

DATE.....

TO WHOM IT MAY CONCERN

Dear Sir/Madam,

**RE: ACADEMIC RESEARCH**

I am a student at Maseno University pursuing Master of Science in Human Resource Management. As part of the requirement, I am carrying out this research entitled “**Effect of Human Capital Investments on Employee Performance in Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County Kenya.**”

Your organization has been selected to participate in this study, your assistance is required in filling the questionnaire you will be provided with. The information will be treated with much confidence.

For any question on this, feel free to contact me on.....

Yours faithfully,

Emily Otunga

MSC/BE/00110/2017.

**APPENDIX II: Questionnaire**  
**EMPLOYEE QUESTIONNAIRE**

The purpose of this study is to find out the “**Effect of Human Capital Investment on Employee Performance in Jaramogi Oginga Odinga Teaching and Referral Hospital in Kisumu County Kenya.**”

Kindly fill in the spaces provided with appropriate information or tick (✓) where applicable. The information provided will be treated with utmost confidentiality and used for the purpose of the study only.

**a).BACKGROUND INFORMATION**

1. How many years have you served at JOOTRH:  
0-5 year ( )      6-10 years ( )      11-15years ( )      over 15 years ( )
2. (i) How many major units/departments exist within your Department  
2 ( )      3 ( )      4 ( )      5 ( )      6 ( )

**b) Human Capital Development**

Rate the following human capital investment carried out at JOORTH

	Rate				
	Very High 5	High 4	Moderate 3	Low 2	Very low 1
<b>Training and Development</b>					
Training enhances job focus					
Employees are more inspired to meet their goals at work due to staff trainings					
trainings empowers staff to achieving degree of independence associated with work roles					
Training within the organization gives employees the necessary skills to work in tasks from start to the end					
Training inclines staff to the organizational vision					

**Employee Commitment**

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Employee Commitment is important determinant of organization growth					
Employee Commitment benefit employees and they develop inner satisfaction, achieve quality output					
Employee Commitment lend support to productive value in the organization					
Employee Commitment offer better quality or unique features, thereby leading to a sustained advantage to competitors					
Employee Commitment reward employees for reflecting on success and challenges of Employee Commitment					
Employee Commitment is important for employee promotion and decent work					

### Knowledge Management

Knowledge management plays a vital role on supporting employees innovative performance within organizations					
Knowledge management move individuals to a more value-added positions					
Knowledge management helps managers to make better decisions on the investment of human capital					
Knowledge management contributes to exposure on knowledge, expertise and experiences.					
Knowledge management pays a vital role on supporting employee innovative performance					
Knowledge management enable application of staff knowledge in the organization					

### c) Employee Performance

To what extend are the following Employee Performance experienced?

	EXTENT				
	Very High 5	High 4	Moderate 3	Low 2	Very low 1
<b>Attendance and Punctuality</b>					
Employee attendance					
Employee punctuality					
Reduction of time wastage in activities					
Numbers of projects completed against numbers scheduled					
Target quotas and goals met easily than before					

Speed of achieving targets increased					
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**Quality Of Work**

Completion rates of tasks					
Conformity with standards					
Quality of essential services in the Hospital					
Reduction in number of complaints about services in the Hospital					
Delivery of quality services to customers					
Improved skills to work with others at work					

**Cost –effectiveness**

Reduction in level of physical resource wastage					
Numbers of projects completed against numbers scheduled					
Reduction in numbers of staff in different functions of the Hospital					
Understanding of Job responsibilities					
Increased contribution toward achieving the organizational goals					