Human Resource Management Practices and Employee Performance in Tea Factories in Nyamira County, Kenya

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Abstract

This paper is an investigation into the relationship between human resource management (HRM) practices and performance of employees in tea factories in Nyamira County, Kenya. The study covered the aspects of employee welfare programs, team working, training, involvement and performance of workers. The study adopted a quantitative research approach using descriptive statistical model to analyze and present data. A sample of 202 was drawn from 425 employees from all the six factories in Nyamira County. Primary data gathering was by use of self-administered questionnaire. Quantitative data was analyzed by use of descriptive and inferential statistics with multiple regression analysis and content analysis for qualitative data. The findings were presented using means and frequency tables. The findings indicated that a good number of employees were familiar with various HRM practices and that there is a great relationship between human resource management practices and employee performance in tea factories. Majority of the factories have few welfare programs leading to dissatisfaction among employees. Team work is adopted by all the six tea factories and is seen as an important practice in improving employee performance. Performance of workers can be increased by providing employees continuous training and organizing seminars as they face challenges from time to time. Finally, the study concludes that employee involvement is deficient in tea factories. The main reason to this deficiency is lack of appropriate policies and goodwill from the management of the tea factories.

Keywords: Human Resource Management, Employees, Performance, Nyamira, Tea Factory

Introduction

In the recent past, competition has been increasing due to flooded market in the business environment. The availability of both skilled and unskilled employees has positively contributed to the growth of many organizations. The performance of the workers in almost all firms solely relies on the top management. Performance concern has therefore necessitated the management of many organizations to devise a mechanism of mitigating poor performance. This is the reason as to why many organizations have for instance adopted various critical stages that include: setting targets; enhancing communication between employer and employee; and monitoring specific performance of each individual relative to the expectations (Ndungu, 2016). It has become very important and complex to monitor individual and group work.

The idea that workers and the manner in which they are managed is important to the prosperity of a company giving business a competitive advantage has led to an increasing focus on human resource (Omolo, Oginda & Otengah, 2013). As a result of the intense business competition and unpredictable business atmosphere, organizations are expected to improve in their performance to align with such great expectations; in order to overcome many problems that may arise, including the risk of a bankruptcy. This performance associated to the company or individual level considers human resource as the most dependent factor to accomplish the firm's goals.

Human resource management has a sole aim of ensuring that the individual and overall performance of employees is maximized. Therefore companies need to come up with policies and practices to ensure employees utilize their skills to maximize their ability and performance at the place of work (Armstrong, 2005). Performance is a measure of employees' effectiveness at work and is a crucial factor in making human resource decisions. Therefore, the failure or success of any organization is anchored on work performance of the persons in that organization.

The performance of an employee is anchored on a list of elements; certainly there are workers that execute their work well because of their amounts of incentives. Some workers perform good due to the availability of good working environment and benefits that are encouraging. It is important therefore, that organizations assess their human resources practices to see if they enhance employee productivity.

Statement of the Problem
Intensive research today has been focused on organizational and employee performance. How best organizational tasks are performed by the employees in order to achieve an organization's mission and vision is of great concern. Both in public and private sector, employees are becoming increasingly aware that some factors within and without the organization affect their performance. Saira (2016) examined the contribution that the practices of HRM have on the performance of workers. The study's aspect of employee performance that were examined included compensation, career planning and performance appraisal. This study was carried out in Pakistan which poses a geographical gap which this study seeks to fill. Further the study was done in the textile sector which has diverse human resource expectations and practices compared to the tea sector that this study focuses on. The study also gave a recommendation that future studies be carried out using other human resource practices to acquire a proper understanding of the importance of employee performance triggers.

Recent studies have depicted a great potential of tea production if their capabilities are appropriately maximized. This is because of the large number of tea farmers in the counties. Studies in the areas of tea production are relatively few and limited in scope (Republic of Kenya, 2012). Mongare *et al.* (2013) dealt with how the operational performance of the companies producing tea was affected by inventory control systems while Chelangat (2013) investigated the extent to which the performance of tea factories was impacted by HIV/AIDs in Bomet County. Oroni *et al.* (2014) performed a study to identify the role of motivation in entacing employees in tea factories in Kenya to perform better. This case study however solely concentrated on the structures of motivation accountable for factory employee motivation ignoring other activities that impact employee performance. The study suggested

that further studies be done on other HRM practices to find out their influence on employee performance in tea factories which is the objective of this study. While recent studies in the tea sector have mostly concentrated in Kericho, Nandi and Embu counties neglecting Nyamira County hence a geographical gap which this study seeks to fill. There is no evidence of a study investigating how HRM practices influence the performance of employees in tea factories in Nyamira County, Kenya.

Ogora and Muturi (2015) observe that setting unrealistic performance targets for tea factory employees or increasing their workload demotivates them hence may result in poor performance. Not meeting their needs adequately too may lead to poor performance. Ndungu (2011) notes that the performance of employees in the Kenya Tea Development Agency (KTDA) factories is affected by many factors but at varying levels that calls for management's concern. This papaer makes recommendations for further studies on various tea factories in other parts of Kenya to establish the HRM practices and hindrances to performance of employees working in the tea factories. Recent studies have mostly concentrated on the issues that inform employee performance in diverse economy's sectors while neglecting the tea sector. At the same time, studies on tea sector concentrated on specific factors such as motivation, compensation, performance appraisal and leadership style, which influence employee performance. In this paper therefore, the author sought to investigate how employee welfare programs and empowerment practices such as team working, training and involvement influence employee performance in tea factories in Nyamira County.

Methodology
The population of the study was 425 employees from six tea factories in Nyamira County. A sample size was obtained using a formula adopted from Fisher *et al*., (1998).

$$N= \frac{Z^2pq}{d^2}$$

Where:

N= sample size (where population is >10,000)
z= standard normal deviation at 95% level of confidence (usually set at 1.96)
p=preference is unknown thus 0.5
q=1-p
d=degree of accuracy usually set at 0.05

Therefore, N= $\frac{1.96\times1.96\times0.5\times (1-0.5)}{0.05\times0.05}$

=384 employees

But the population of permanent employees Tombe, Sanganyi and Kebirigo tea factories is

< 10,000 and therefore the formula below will be used.

1+ Pop.
Nf= New sample size
N= 384

Population of employees in the three tea factories ≈ 425

Therefore the sample size will be 201.7, which will be rounded off to 202.

Results and Discussion

Out of 202 questionnaires distributed, 196 were filled and returned, accounting for 97.03% response rate which is good enough to base conclusions on. The analysis and the study findings were summarized into, frequencies, percentages, mean and standard deviations upon which interpretations and conclusion were made. Majority of the respondents 120(61%) were male while the rest 76(39%) were female. Most of the respondents (31.6%) were between the 33-40 years age bracket. This was followed by 29.6% who were 26-32 years; some (13.8%) had 41-50 years, 12.8% were 18-25 years bracket while only 7.7% were over 50 years old. At least 4.6% did not indicate their age bracket. The results show that a majority of the sample 163 (83.2%) were permanent employees while 33 (16.8%) were management staff. From the study findings, 91 (46.4%) respondents were in the range of over 6 years while 62 (31.6%) were in the range of between 3 and 6 years, 36 (18.4%) were in the category of less than 3 years while 7 (3.6%) did not indicate their range. This implies that the respondents are aware of what the organization requires in terms of HRM practices as a means of influencing employee performance.

Employee Welfare Programs and Employee Performance

The results in the table below indicate that factory employees believe that counselling services will improve employee performance as is highly rated with a mean of (4.11). This means that if more counselling service will be offered to employees, it will significantly increase their overall performance. The results further indicate that the factories do not have daycare facilities or provide lunch with a mean of (1.94) and (1.83) respectively. However, majority of employees believe that if the company will provide lunch, they will be motivated to perform better (3.89). The work environment was rated with mean of (3.65) as not being conducive hence employees are not motivated at work.

Table 1: Employee Welfare Programs

Descriptive statistics on employee welfare programs			
Item	N	Mean	Standard deviation
Company has a variety of employee welfare programs	192	3.63	.952
I believe counselling will improve employee performance	192	4.11	.653
The factory has a daycare for employees' children	192	1.94	.800
The factory provides lunch for its employees	192	1.83	.642
If company will provide lunch I will be motivated to perform	192	3.89	.989
The work environment is not conducive for us hence not motivated at work	188	3.65	1.025

Source: Survey Data (2017)

The Relationship between Teamwork and Employee Performance in Tea Factories
The results from Table 2 indicate that team work is adopted in the six tea factories with a mean of (4.20). The results also indicate that factory employees denoted that good communication skills among members and leader of a team will improve employee performance as is highly rated with a mean of (4.32). A majority of respondents also believe that working in a team is very key in improving employee performance with the second largest mean of (4.30). Many respondents also agreed that working in teams has helped them improve their individual performance (mean of 4.27). The results further indicate that trust among team members (mean 4.27) and cooperation (mean of 4.26) among members ignites employee performance. A reasonable number of respondents also believe that work quantity of a group affect performance of team members with a mean of (4.17).

Table 2: Team Work

Descriptive statistics on team work			
Item	N	Mean	Standard deviation
Team working is adopted in the company	195	4.20	.493
Trust among team members promote group performance	195	4.27	.645
Cooperation among members ignites performance	194	4.26	.565
Work quantity of a group affect performance of team members	195	4.17	.666
Good communication skills among members and leaders perform better	195	4.32	.635
I believe team working is very key in improving employee performance	195	4.30	.552
Working in teams has helped improve my performance	196	4.27	.527

Source: Survey Data (2017)

The Relationship between Training and Employee Performance in Tea Factories
Results indicate that majority of respondents agreed that training is key in improving employee performance with the third largest mean of (4.32). They denoted that training should be continuous as employees face challenges from time to time (mean of 4.35). Further, majority of the respondents with the highest ranked mean of (4.42), noted that if management would organize more seminars on various issues, they would be motivated to work hard and this would improve their individual performances. However, a reasonable number of respondents noted that the factory organizes seminars for employees (4.03), and that there is on-job training in their factories (4.03) and that the training that they have received has helped them to perform better in their duties (4.12). The level of satisfaction in regard to the training received by respondents was lowest in ranking with a mean of (3.86).

Table 3: Training

Descriptive statistics on training			
Item	N	Mean	Standard deviation
The factory management often organizes seminars for employees	190	4.03	.646
There is on-job training in our factory	190	4.03	.638
Training is key in improving employee performance	190	4.32	.604
I am satisfied with the training that is offered by the company	190	3.86	.753
The training I have received has helped me to perform better in duties	190	4.12	.588
If the management will organize more seminars on various issues i will be motivated and this will help improve my performance	190	4.42	.535
Training of employee should be continuous as we face challenges from time to time	190	4.35	.622

Source: Survey Data (2017)

The Relationship between Involvement and Employee Performance in Tea Factories
From Table 4 below, results indicate that most respondents believe that involvement promotes overall employee performance with mean of the highest ranking of (4.27). They agreed that management should involve them in decision making with the second highest ranking mean of (4.19). Most respondents also denoted that employee participation in decision making helps them own decisions made hence helps them work hard improving overall performance (mean of 4.18). Results further show that delegation of power and responsibilities (mean of 4.02) empower employees to do the best. However, results show that delegation of power and responsibility is not fully adopted in the tea factories with a mean of (3.93) and the management does not to a large extent involve employees in decision making (mean of 3.72). Finally, most respondents expressed their dislike on how decisions are made and imposed on them by management with a mean of (3.45).

Table 4: Employee Involvement

Descriptive statistics on involvement			
Item	N	Mean	Standard deviation
The factory management involves employees in decision making process	195	3.72	.859
There is delegation of power and responsibility by management	195	3.93	.763
Delegation of power and responsibilities empowers employees to do the best	194	4.02	.627
I don't like how decision are made and imposed on us by management	195	3.45	1.131
Management should involve us in decision making on issues affecting us	195	4.19	.652
Employee participation in decision making helps us own decisions hence helps has work hard improving overall	195	4.18	.595
Empowerment promotes overall employee performance	196	4.27	.517

Source: Survey Data (2017)

Regression Analysis

A multiple regression analysis was conducted to determine the relation impact on employee involvement, training, teamwork and employee welfare programs. The regressive model is shown as below:

$$Y= a+ \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4+ \varepsilon\ldots\ldots$$

Y= Employee performance

a= Constant term

$_{1,2,3,4}$ = Beta coefficients

X_1 = employee welfare programs

X_2 = team work

X_3 = training

X_4 = involvement

ε = the standard error term

Regression analysis also produces correlation coefficients determination and analysis of variance (ANOVA). Correlation sought to show the nature of relationship between dependant and independent variables and co-efficient of determination showed the strength of the relationship (Karl, 2009). Analysis of variances was done to show whether there was a significant mean difference between dependent and independent variable. The ANOVA was conducted at 95% confidence level.

Model of goodness of fit was used to establish the relation impact on welfare programs, teamwork, training, and involvement. The results showed a correlation value(R) of 0.3965 which depicted that there is a medium linear dependence of employee performance on welfare programs, teamwork, training, and involvement. Cohen (1988) observed that a correlation coefficient of magnitude 0.3-0.5 shows a medium linear dependence between two variables while 0.5 to 1.0 shows a strong linear dependence.

With an adjusted R- squared, the findings showed that welfare programs, teamwork, training and empowerment explain 68.82% of the variations in employee performance while 31.18 % is explained by other factors not in the model. The Durbin Watson of 2.101 showed absence of serial correlation which might have had a negative effect of the regression model. Verbeek (2004) stated that a value of 2.0 for the Durbin-Watson statistic indicates that there is no serial correlation.

Table 5: Model for Goodness of Fit

R	R square	Adjusted R square	Std. Error of estimate	Durban Watson
.3965	.653	.6882	0.7213	2.101

- Predictors: (Constant), welfare programs, teamwork, training, and empowerment
- Dependable variable: Employee performance

Source: Survey Data (2017)

Anova statistics was conducted to determine the difference in the means of the dependent and independent variable thus show whether a relationship exist between the two. The P- value of 0.038 implies that employee performance has a significant joint relationship with welfare programs, team work, training and involvement at 95% level of significant. This also depicted the significant of the regression analysis done at 95% confidence level. This is a general technique that can be used to test the hypothesis that means among two or more group are equal, under the assumption that the sampled population are normally distributed. Tabachnick and Fidell (2007) states that for hypothesis testing, if the P value exceed the predetermined alpha (p<0.05) then the means of dependent and independent valuable is equal signifying a relationship.

Table 6: Analysis of Variance

Model	Sum of squares	df	Mean square	F	Sig.
Regression	14.49	5	2.900	10.109	.038
Residual	27.317	185	.207		

Source: Survey Data 2017)

The F ratio in the ANOVA Table 6 tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable, $F(5,185) = 10.109$, $p < .0005$ (the regression model is a good fit of the data).

Table 7: Regression Table

Dependent variable	Independent variable	Adjusted R square	Beta	t Stat	P-Value
Employee Performance	Welfare programs	0.6882	0.257	3.846	0.0000
	Training		0.166	2.669	0.0300
	Employee empowerment		0.008	0.112	0.9014
	Teamwork		0.263	5.873	0.0000

Source: Survey Data (2017)

The t value for the independent values is greater than 0.112 indicating a strong impact of the predicting quality of the coefficient. The results show that 68.82% of employee performance comes from welfare programs, team work, training and involvement. However, the rest 31.18% remain unexplained in the error term.

The regression equation is formed as $Y=-3.368+0.257x_1 +0.166 x_2 + 0.008 x_3 + 0.263 x_4$ and can be used to predict employee performance. This means that our model explains 68.82% of the variance in employee performance common practice exist which consider variable with a p-value of less than 0.1 as significant, though the only basis for this cut off is convention. The result denotes that there is a statistically significant, direct and positive relationship between the variables and employee performance. Teamwork with a beta of 0.263 is the variable that makes the strongest unique contribution to explaining employee performance when the variance explained by all other variables in the model is called for.

The beta value for employee empowerment is the lowest (0.008) making the least contribution.

Conclusion

It is established in this paper, that there is a significant relationship between human resource management practices and employee performance in tea factories. It was noted that employee welfare programs influence employee performance. However, a majority of the factories have few welfare programs; therefore, most respondents expressed their dissatisfaction in regard to the same. The factories neither provide their employees with lunch nor do they have daycare centres for their children. The working environment was also noted to be not conducive for most respondents hence they were not motivated to give their best at work.

The findings of the study revealed that team work influence employee performance. Team work is adopted by all the six tea factories and is seen as an important practice in boosting employee performance. However, it was noted that trust, cooperation, team spirit, quantity of work given and good communication among team members and their leader are very key in regard to team performance.

As regard to training it was noted that training is key in improving employee performance. Training influence employee performance in the sense that functions and duties in the factory do differ hence one department's training cannot apply to other department hence measure of performance cannot be allied be the same.

The extent to which involvement influenced employee performance in an organization was observed to be very high by majority of the respondents. It was noted that majority of the respondents did not like how decisions were made and imposed on them without their participation. The study also found out that employee participation in decision making would help them to own decisions made by management hence working hard to improve overall performance.

Implications to Research and Practice

This study will help the factory management in various tea factories in several ways including; understanding the determinants of employee performance. It will also help them in coming up with strategies that will attract and retain competent employees in their organizations. This will help increase their performance and the overall productivity in tea factories. The study will also be beneficial to policy makers to re-assess the existing employee motivation tools in relation to performance.

The research findings will be used by the students and researchers as a point of reference as concerns the human resource management practices and employee performance. The findings will therefore contribute to the body of knowledge. The findings will provide a guide to the government through KTDA to make policies that will help improve the employees' performance and the general productivity of tea factories in Kenya.

Recommendations

The factory management should make the working conditions favorable for their employees as one way of encouraging them to do their best. This can be achieved through hygienic and clean working environment, as well as providing appropriate tools for work.

The factory management should also come up with strategies that will attract and retain competent employees in their organization through use of HRM practices that enhance employee welfare. This will help increase their performance hence the overall productivity in tea factories.

Policy makers should re-assess the existing employee motivation tools in relation to performance. Assessing the present motivational tools will help identify their strengths and weaknesses and thus give light in adopting more attractive packages.

Training in tea factories should be more regular as employees face challenges from time to time. A majority of employees suggested that training should be provided more often.

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