

Relationship between Human Resource Practices and Employee Performance in Selected Public Universities in Nairobi County, Kenya

¹Christine Wanjeri Ngugi

²Ann Wanjiku Thuo

³Jane Munga

¹*Master of Business Administration Student, Department of Business Administration, Kenya
Methodist University*

^{2,3}*Department of Business Administration, Kenya Methodist University*

Abstract

This study sought to investigate human resource practices affecting employee performance in selected public universities in Nairobi County. The objectives were to assess the HR practices affecting employee performance and to assess how factors such as workforce commitment, training opportunities, career opportunities and performance appraisal influence employees' performance in selected public universities in Nairobi County. The study used descriptive research design which was cross-sectional in nature. The target population of the study was the employees of these institutions; and the sample size of the study was 180 respondents selected by application of proportionate stratified random sampling technique. Questionnaires were used to collect data through a drop-and-pick-later technique, where data analysis was carried out with the aid of statistical package for social sciences. A multivariate regression was operationalized to determine the nature of relationship between independent and dependent variables. The study findings revealed that workforce commitment was important to achieving employee performance; and career opportunities are also vital if organizations want to improve on the performance of individual employees. Performance appraisal was found to be a key factor affecting employee performance as terms of employment determined how motivated the employees were which translated to either low or high performance. The study concluded that workforce commitment, and career opportunities as well as performance appraisal influenced employee performance in the selected public universities in Nairobi County. As such, the study recommended that managers and employers should adopt motivational strategies and tactics that will provide the employees with some value and compensate them adequately for performance and results. Further, it is recommended that managers and employers should seek to understand the importance of training and security package as a whole and its influence on the level of employees' performance to motivate the workforce into producing better results. The study made the following suggestions for further study: the influence of work commitment on employees' performance in Kenya and; the role of the Human Resources department in the growth and development of employees in Kenya to help fill the existing knowledge gap in this area of study.

Key Words: Human Resource Practices, Employee Performance, Public Universities in Nairobi County

1. BACKGROUND OF THE STUDY

Employee performance is a function of ability and motivation, where ability is comprised of the skills, training and resources required for performing a task and motivation is described as an inner force that drives individual to act towards something. Robin (2006) adds that employee performance in institutions results in a more motivated work force that has the drive for higher productivity, quality, quantity, commitment and drive. Improving the performance of employees has been a topic of great interest to practitioners as well as researchers (Madsen, Dingemans, Nakata, and Samulski, 2006). But what is employee performance and how it is measured so that it reflects the individual's contribution, effort and motivation into the job has been a topic of great debate amongst scholars. Indeed, there is no consensus concerning the definition of the term employee performance among experts.

All organizations globally, are concerned with what should be done to achieve sustained high levels of performance through people which means giving a close attention on how individuals can best be motivated through means such as rewards, incentives, leadership and recognition of the work they do (Wilson, 2007). Reward management is one of the strategies used by the management for enticing and retaining apt employees as well as facilitating them to improve their performance through motivation and to comply with employment legislation and regulation. As a result of these pressures, administrators pursue to design reward structures that facilitate the organizations strategic goals and the goals of individual employees as these reward systems are very crucial for an organization (Maund, 2009). Rewards include systems, programs and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive results. Fundamental purpose is to provide positive consequences for contributions to desired performance (Wilson, 2007). The only way employees will fulfill the employers dream is to share in their dream. Reward systems are the mechanisms that make this happen. They can include awards and other forms of recognition, promotions, reassignments, non-monetary bonuses like vacation (Kotelnikov, 2010).

In Kenya, there are many intricacies which hinder the performance of employees in the public sector including the more than twenty public universities. The problems of accountability as well as ethical issues also continue to affect effective delivery of service in these venerable institutions (Opiyo, 2006). In an effort to mitigate some of these barriers to employee performance, the Government of Kenya (2009) has in the past set up several reform programs to improve service delivery. Some of these reform efforts including the Civil Service Reform Program (CSRP) were geared to enhance public service efficiency and productivity. The program was designed to contain costs, improve performance in the public sector, and consolidate and sustain the gains made thereafter (Obong'o, 2009). Nonetheless, the problem regarding performance and demotivated employees still choke these institutions thus, it is fundamentally imperative for study to examine the HR practices affecting employees' performance in public universities.

2. STATEMENT OF THE PROBLEM

The performance of an employee depends on the strength of employee incentive schemes used in an institution. An employee incentive is given accordingly, to encourage the behavior and work done. The trend of growth and establishment of public universities in Kenya is on an upward

curve since the start of last decade and most people find them less expensive, and a more convenient way to acquiring higher education in a competitive world. Kenyan public universities are faced with stiff competition amongst themselves and from the private universities in regard to quality service delivery and high performing employees, hence the need to remain competitive by retaining high quality manpower among employing other strategies. It is clear that in Kenya, public universities continue to place a premium on staff performance management in line with the current global trend. As such, organizations are seeking to retain staffs who achieve set objectives and appraisals are the commonest basis for performance management. However, recent studies such as those done by Holland et al (2007) tell a different story as most of these institutions of higher learning have fallen short in their endeavors to using different strategies to address these concerns that contribute to employee disenchantment such as workforce commitment, career and training opportunities, as well as performance appraisal. Again, despite the fact that different scholars Robins (2006); Kiarie (2005); Torrington (2008) have interrogated HR practices affecting employee performance in organizations, little attention has been given to workforce commitment, training and career openings as well as performance appraisal in public institutions of higher learning. Furthermore many researchers conducted their researches to determine the relationship between Human Resource Management practices and Employee Performance in developed countries but few studies have been conducted in developing countries like Kenya hence the need for this study. The current study thus sought to fill this gap by interrogating these factors that influence employee performance in selected public universities in Nairobi County, Kenya.

3. OBJECTIVES OF THE STUDY

3.1 General Objective

To assess the relationship between Human resource practices and employee performance in selected public universities in Nairobi County

3.2 Specific Objectives

- i. To determine whether workforce commitment affects employee performance in a public university in Kenya
- ii. To establish whether training opportunities affect employee performance in a public university in Kenya
- iii. To find out whether availability of career opportunities affects employee performance in a public university in Kenya
- iv. To determine whether performance appraisal affects employee performance in a public university in Kenya

4. THEORETICAL FRAMEWORK

4.1 Maslow's hierarchy of Needs Theory

Abraham and Graham (2006; 2009) expound on Maslow's motivational theory which categorizes human needs into physiological which in the work milieu, the fundamental purpose of a wage or salary is to provide the means of satisfying the most basic needs. Security needs,

that necessitate protection against danger and the deprivation of basic needs, work environment, the wish for security of tenure, the existence of restrictive practices and many aspects of occupation. All such show how employees try to satisfy safety needs (Graham, 2009). Social needs cater for love, affection and acceptance as well as belonging to group. Esteem needs caters for position of authority, or special type of overall. Self-actualization are needs that develop potentialities and skills of what one believes is capable of becoming and involves skilled operation, professional workers and administrators. Armstrong (2006) states that the hierarchy of needs reveals that people tend to satisfy their needs in a certain order of precedence starting with a lower level needs as basic to higher level as self-actualization needs. When a lower need is satisfied, the next highest becomes dominant and the individuals attention is turned to satisfying this higher need. Unsatisfied needs motivate behavior; thus, lower-level needs such as the physiological and security needs must be met before upper-level needs such as belongingness, esteem, and self-actualization can be motivational (Sarvadi, 2010). According to the implications of the hierarchy, individuals must have their lower level needs met by, for instance, safe working conditions, adequate pay to take care of one's self and one's family, and job security before they will be motivated by increased job responsibilities, status, and challenging work assignments (Graham, 2009). Maslow's theory was relevant and significant to this study in that it lent recognition to the fact that employees have categories of needs that operate in them and that all should be addressed to enable them shift their concentration on meeting organizations' objectives and targets.

4.2 Vroom's Expectancy Theory of Performance

Expectancy theory refers to a systematic processes initiated by the organization resulting in the relatively permanent changes in the knowledge, skills, or attitudes of organizational members. It is a process theory that indicates whether a person is motivated depends on two expectancies and one valence (Mercer, Carpenter, and Wyman, 2010). The first expectancy involves the probability that an employee will be able to make a connection between her level of effort and the performance that derived from this effort. For motivation to occur, the employee must believe that if she puts forth a reasonable effort, there is a high probability that she will be able to meet expected performance standards. We refer this as E – P (effort – performance) expectancy. The second expectancy involves the probability that the employee will be able to link her level of performance to the rewards she receives for the performance. In other words, a high level of motivation will occur only if the employee believes there is a high probability of being rewarded for satisfactory performance. We refer it as the P – R (performance – reward) expectancy (Vroom, 1964).

The valence that is import to motivation is that which is attached to the reward, which in this case involves training the employee to gain higher skills and expertise. This means that in order for training to have high value as a motivator, it must have a high valence for the employee. That is, the employee will only be motivated to work hard if the training is something that s/he finds desirable (McShane, and Von Glinow, 2011). Putting the elements of the expectancy theory together, a high level of motivation occurs when there is a high expectancy that employee's effort in training will yield satisfactory performance and that this performance will result in the

attainment of one's desired rewards. This theory is relevant to this study because it underscores training opportunities as independent variable of the study.

5. EMPIRICAL REVIEW

According to this concept employees are known to be the corner stone of any organization. Motivated employees are an asset of an organization because of resources that may have been used on them in career development. Successful and highly productive business can be achieved by engaging them in improving their performance. All employees are not equal in their working and they have different modes of working like some have highest capability regardless of the incentive but others may have occasional jump start if they are handled effectively the result can be greater productivity and increased employee morale.

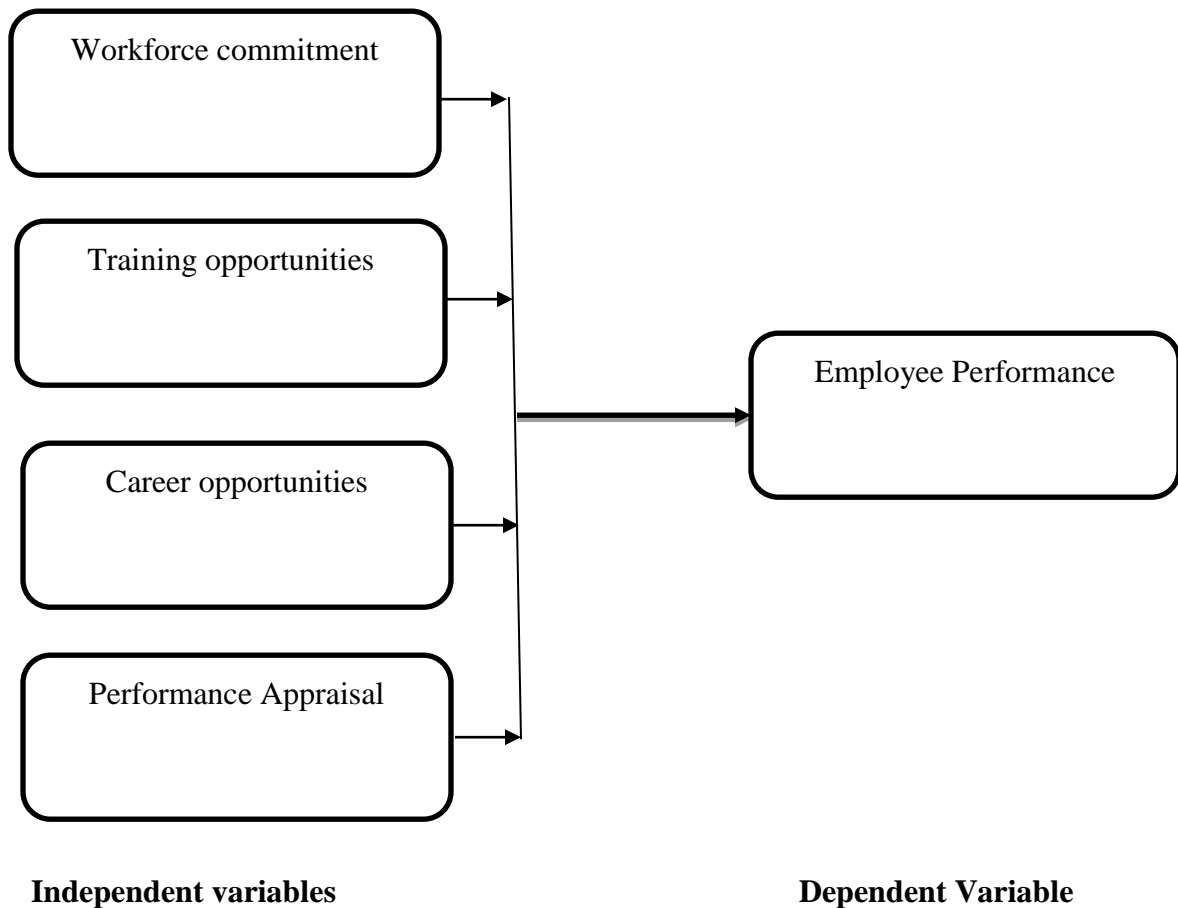
Mostly the motivation of the employees is ignored in small companies reason being employers constant pressure to increase productivity, profitability, and revenue growth and it often overshadows the importance of how an unengaged workforce can negatively affect performance close relationship can also be established with clients. There are three types of resources that work as pillars for the organization. These are organizational capital human capital and physical capital. The importance of human capital is increasing because it can give the competitive edge to the organizations due to its uniqueness(Holland et.al.,2007).the importance of human capital is on the increase, so the importance of attracting and retaining the employees is considered crucial because of competitive advantage which a firm gets due to its employees (Holland etal.,2007)to retain the employees human resource(HR) department becomes active and makes policies for employee betterment such that employee will be satisfied with the organization and stay with the firm for longer time. This shows that it is not just retention of employees but also retention of valued skills (Acton et al., 2003).if an organization retains its employees this will improve the communication among employees and improve their commitment and performance for organization.

Ferguson and Brohaugh (2009) state that it is the primary apprehension of the firm to acquire and manage the human capital in the way that it supports the business plan since it is necessary for an organization as the human capital is the main component of any organization it has to use human capital in the way that they can perform the job efficiently by using their core skills in this context organizations have options whether to hire new employees, train them and make them accustomed to the working conditions and the environment of the organization or try to retain the existing employees who are aware with the company policies, environment and working conditions (Molina & Ortega,2006). It is a strategy adopted by an organization to keep its high profile employees for longer period and for better performance (Gbervbie, 2010). If an organization fails to keep competent employees and they have dissatisfied employees with them it will hamper their productivity and quality.

Employer has to bear the cost when an employee leaves the organization, because of loss of human capital and hiring of new employees. The cost an organization has to bear in case of leaving of an employee is almost equal to more than one year salary and benefits of the employee. It means it has a significant impact on economic condition of the organization.

The work structure is major determinant of job satisfaction and commitment of employees with their jobs. The job satisfaction also affects the quality of the services employees are providing. It furthermore relates to turnover and the position assigned to the employees on their return, as well as the accuracy of their expectations and influences their job satisfaction (Wales, 2010).

6. CONCEPTUAL FRAMEWORK



7. RESEARCH METHODOLOGY

The study adopted a descriptive research design which was cross sectional in nature to assess factors affecting employee performance in selected public universities. The total population in the study constituted all the administrative employees from different cadres in the selected universities as Cooperative University, University of Nairobi and Technical University. The target population of the study was the staffs in administration who are 1720 employees in total cooperative, 545; Nairobi, 669; and TUK, 506. Proportionate Stratified Random sampling procedure was used to sample 180 workers in different cadres at the selected universities. The main tool for data collection in this study was, questionnaires administered by the researcher to the respondents. The instrument contained closed ended questions.

8. RESEARCH FINDINGS

8.1 Correlation Analysis

The variables in this study were further subjected to a bivariate linear correlation to determine how they are related to each other and the employee performance in a university set up. The results obtained are presented in Table 1 below;

Table 1: HR Practices and Employee Performance: Bivariate Correlations

		Y	X ₁	X ₂	X ₃	X ₄
Employee Performance (Y)	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	130				
Work Commitments (X ₁)	Pearson Correlation	.427**	1			
	Sig. (2-tailed)	.000				
	N	130	80			
Training Opportunities (X ₂)	Pearson Correlation	.467**	.540**	1		
	Sig. (2-tailed)	.000	.000			
	N	130	80	80		
Career Opportunities (X ₃)	Pearson Correlation	.269**	.362**	.499**	1	
	Sig. (2-tailed)	.001	.000	.000		
	N	130	80	80	80	
Performance Appraisal (X ₄)	Pearson Correlation	.336**	.287**	.224**	.136	1
	Sig. (2-tailed)	.000	.000	.005	.093	
	N	130	80	80	80	80

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

The findings from the bivariate correlation in this study in table 1 indicated that work commitment in the university is positively and significantly related to employee performance ($r=.427^{**}$, $p<0.001$). In the same tune, training opportunities are positively and significantly

related to employee performance in the university ($r=.467^{**}$, $p<0.001$). Career opportunities are also positively and significantly related to employee performance ($r=.269^{**}$, $p =0.001$). Lastly, performance appraisals are positively and significantly related to employee’s performance in a university set up ($r=.336^{**}$, $p<0.001$). The positive and significant relationships among all the independent variables in this study (work commitments, training opportunities, career opportunities and performance appraisals) indicate that a positive change in one variable leads to a positive change in the dependent variable (employee performance) and in the same direction. The study finding also provides statistical evidence that all the independent variables in this study positively and significantly influence employee performance. For instance, if the university provides an enabling environment that allows employee to show work commitment, the university offers training and career opportunities to employees and conducts appraisals in a way that is seen to be fair and balanced to all employees, the employee performance and eventually the overall university’s performance will eventually improve.

8.2 Multiple Regression Analysis

The results of the bivariate linear correlations on the relationship between HR practices and employee performance in the university in Table 2 above were further subjected to a multiple linear regression analysis in order to determine whether the model proposed in Chapter three ($Y= \beta_0 + \beta_1X_1+ \beta_2X_2+ \beta_3X_3+ \beta_4X_4+ \varepsilon$) was valid, to determine whether the proposed model fitted the data and to the regression weights of each and variable under investigation.

Table 2: HR Practices and Employee Performance: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.053	4	4.013	58.159	.000 ^b
	Residual	10.483	125	.069		
	Total	26.537	129			

a. Predictors: (Constant), Appraisals, Career, Training, Work commitment

b. Dependent Variable: Employee Performance

Table 2 shows that the relationship between human resource practices and employee performance in a university set-up was found to be valid ($F_{(4, 125)} =58.159$, $p<0.001$). This implies that the proposed multiple regression model was found to be fit for further analysis and that the four predictor variables of employee’s performance i.e. (work commitments, training opportunities, career opportunities and performance appraisals) are good in explaining total variations in overall employee performance and eventually the overall university’s performance.

Table 3: HR Practices and Employee Performance: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778 ^a	.605	.587	.39855

a. Predictors: (Constant, Appraisals, Career, Training, Work commitment)

Table 3 shows the summary of the multiple regression analysis on the relationship between human resource practices and employee performance of the selected universities in Kenya. The table show that all the four predictor variables explain 60.5% of the total variations in the performance universities in Kenya as shown by the value of R^2 (0.605). Without the value of the constant, the variables explain 58.7 % of the total variations with a standard error of 0.399 as shown by the value of adjusted R^2 (0.587) In this case, since the constant is not statistically significant ($\beta_0 = 0.089$, $p=0.868$), then the findings of this study showed that the value of the adjusted R^2 (58.7%) was useful in determining the relationship existing between human resource practices and employee performance in the selected universities in Kenya.

Table 4: HR Practices and Employee Performance: Regression Weights

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.089	.537		.167	.868
	Commit	.210	.090	.195	2.327	.021
	Training	.518	.150	.306	3.459	.001
	Career	.022	.102	.017	.215	.830
	Appraisals	.164	.057	.209	2.909	.004

a. Dependent Variable: Employee Performance

Table 4 shows the regression weights of the variables under investigation in this study. The findings show that the constant is not statistically significant ($\beta_0 = 0.089$, $p=0.868$). The findings also shows that employee's work commitment is positively and significantly related to his performance ($\beta_1 = 0.210$, $p=0.021$). This implies that as the universities improve the working conditions, work commitments among the employees will also improve significantly hence improving the employee and the overall university's performance positively. The employee training, in a combined relationships, is also positively and significantly related to employee's

performance ($\beta_2 = 0.518$, $p=0.001$). This means that those universities that give on and off the job training and scholarships to both teaching and non-teaching staff enjoy better performance. The results also indicate that there is a positive but insignificant relationship between career opportunities and employee performance ($\beta_3 = 0.022$, $p=0.830$). This implies that the perception that the universities offer more career opportunities to current and prospective staff in itself improves employees performance but this improvement is not statistically significant. Lastly, performance appraisals are positively and significantly related to employee performance ($\beta_4 = 0.164$, $p=0.004$). This implies that when employees are appraised in a manner that is viewed to be fair and with the expectations that these appraisals will either lead to salary increments or promotions, the employee performance improves significantly.

9. CONCLUSION

From the study findings, it is concluded that workforce commitment, career opportunities as well as performance appraisal positively and significantly influenced employee performance in the selected public universities in Nairobi County. In terms of workforce commitment; discontent and detachment of employees who did not enjoy working in their respective places of work influenced performance in great extent; longevity in an organization was also very commonly preferred as a factor of performance as it affected employees' capacities to executing their mandate and therefore perform better. Working for an organization for longer years therefore influenced the employees' performance in the selected universities. Training and career opportunities affected the performance of employees in work place where the existence of career advancement opportunities equipped employees with the requisite skills and knowhow to dispense with their duties as required. This gave the employees the impetus to progress with their careers in one particular organization as they acquired on-job training through the middle managers and external trainers. Finally, job security affected the performance of employees through terms of employment, organizational benefits to individual employees, and the care that those very institutions accord them. The terms of employment were hardly encouraging. This was partly caused by the organizations management motivation to employ people on contractual as well as temporary basis. In as much as it was executed in quest of avoiding wastages, it demotivated majority of employees who had stayed at their work stations for long without being considered for permanent and pensionable terms of employment; there was also benefits such as insurance covers and retention bonuses for staff development which is very important in staff motivation. However, small in magnitude, the organizations offered them to their employees as a way of motivating them to perform better. Thus, job security was a strong variable that influence employee performance in organizations.

10. RECOMMENDATIONS

Based on the research findings, it is recommended that managers and employers should adopt motivational strategies and tactics that will provide the employees with some value and compensate them adequately for performance and results; as the level of satisfaction and value derived from the rewards determines how motivated the employees will be to work. Further, it is recommended that managers and employers should seek to understand the importance of training and security package as a whole as well as motivation and its influence on the level of

employees' performance as it has been established that a highly motivated workforce produces better results.

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