PERCIEVED EFFECT OF HUMAN RESOURCE POLICIES ON EMPLOYEE PERFORMANCE AT ELGON TEA FACTORY, TRANSNZOIA COUNTY, KENYA

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DECLARATION

This research project is my original work and has not been presented in any other institution.

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This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

To God for his unwavering love and faithfulness all through. To my wonderful family. Thank you for being there for me throughout the entire period. For Adrian and Leo.

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I would like to express my sincere appreciation to the following people who contributed a lot towards the successful completion of this program. My special thanks to my supervisor Dr. Mercy Gacheri Munjuri for the advice, support, patience and guidance throughout the research.

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ABSTRACT

The purpose of the study was to establish the effect of HR policies on employee performance at Elgon Tea Factory, Transzoia County. A descriptive survey was carried out on all of the 107 employees of the factory. Out of the 107 questionnaires that were distributed 93 employees responded constituting of a response rate of 86.9%. Hypotheses were tested using the Pearson's Product Moment Correlation Analysis and descriptive statistics. Descriptive statistics were computed for demographic data and the study variables. Data was presented in the form of tables. The findings reveal that the training and development policies related to the employee performance. There was a positive and moderate relationship making it statistically significant. The findings also reveal that reward policy and employee performance had a moderate, positive relationship making it statistically significant. This study contributes to the understanding of the relationship between HR policies and employee performance. It also confirms the findings of the previous studies that found out that HR policies have an effect on employee performance. This study has contributed to the existing knowledge by confirming that HR policies have an effect on performance of employee. Employee performance can be increased when training and development policies, rewards policy and performance appraisal policies are enforced. Presence of a HR policy in the organization can make the employees understand performance standards expected of them, teach and disseminate useful skills and knowledge of their colleagues, use resources effectively and efficiently. It can also enable them prioritize tasks according to urgency, set realistic goals, display extra effort and show empathy, listen to fellow employee problems and support them when needed.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

The focus of human resource practices including recruitment, selection, compensation as well as others such as performance management as argued by Noe et al (2007) can play a significant role in improving the performance of employees. They influence attitudes, behaviors, and performance of employees. Huselid (1995); Pfeffer (1998) argued that HR policies create an environment for effective selection strategies, compensation systems and training activities. Guest (1989) noted that necessary HRM policies can bind employees to an organization and result in reduced turnover, absenteeism and grievance, increase commitment and improve performance.

The study anchors on Equity Theory and Social Exchange Theory to explain how these practices impact on performance of employees. Equity theory posits that the employee's perceptions about how they are handled ultimately determine their performance. A perception where they feel equality would lead to a significant improvement in performance. The employee may decide to have positive behavior to increase their performance, or may decide to act negatively thus reduce their performance. Equity theory deals strongly with the aspects of fairness in the organization, which can be achieved when Human Resource policies are established and implemented in the organization. The social exchange theory on the other hand posits that when employees have a feeling of being treated well, they are obliged to reciprocate. Basically, the theory posits that relationships evolve with time into loyalty, trust and commitment. Through interactions, worth relationships are developed and they lead to employee trust and commitment.

The tea industry plays a significant role in the Kenyan economy through employment creation and income generation. Kenya tea production represents around twenty percent of the world's tea exports making it a major contributor to national income. Earnings received through foreign exchange make tea strategic and an important sector in the Kenyan economy. The industry has contributed to infrastructure development in most rural areas through roads improvement, building of schools and health centers for the small-scale farmers (FAO, 2015). The industry has also necessitated the growth of micro finance lending institutions for small-scale farmers that provide loans and other financial solutions. Tea industry is a source of

employment for many people through direct tea farming, processing, and marketing and indirectly through retailers and those engaged in its transportation (Cheruiyot, 1995). The researcher was interested in this industry because it has made immense contribution in creating food security, immeasurable wealth, jobs, led to rural development and improved the smallholder welfare. Therefore, it was important to determine whether human resource policies can influence the performance of workers specifically at Elgon Tea Factory in order to sustain and contribute to this thriving and boosting sector of the economy.

1.1.1 Human Resource Management Policies

Grobler et al. (2002) documented that HR policies are those that aim to guide the managers in achieving HR related targets, define acceptable work practices and behaviors and communicate the organizations position on a given issue. On their part, Pearce and Robinson (2003) assert that these policies help an organization define and structure its values as well as philosophy. Wright and Boswell (2002) noted that the policies document the HR programs, plans and processes for the organization. Vakola, et al. (2007) demonstrates that HR policies put forward an easier way of communicating organization's vision so that all the employees can come to terms with it. They are normally logically developed in accordance with the business needs (Serpell & Ferradda, 2007). Human resource policies are guidelines for the organizations' action and the implementation of its goals and purpose; they are translated to plans, rules, and procedures (Mullins, 2006).

 Armstrong (2007) observes that human resource policies form part of the five human resource management operating systems, these systems consist of HR philosophy, policies, processes, programs and HR strategy. Armstrong, (2009) further demonstrates that they form the values expected off the organization as well as its expectations and also serve a reference point when making decisions concerning employees so that equality is maintained. Barbeito (2004) further explained that they set out accountability, standards of behavior and validate procedure. These policies bring on board equality and consistency when handling organizational values without a bias. Armstrong (2009) posits that through HR policies, organizations are able to lay down clear foundations of treating employees and solving employee related problems. These policies set foundations for dealing with personnel related issues, aspects and

challenges. Overally, HR policy demonstrates the beliefs of how employees should be treated.

1.1.2 Employee Performance

Brumbrach (1988) expressed performance to mean both results and behaviors. Behaviors are not only tools of results, they are also outcomes in the sense of physical and mental effort applied to tasks by the performer who transforms ideas to actions and can be judged apart from results. There is a need for consideration of not only behaviour, but also results when managing performance. The performance of employees is normally measured against the organizational performance and is normally examined through outcomes (Kenney et al, 1992; Armstrong, 2009). Aguinis (2009) argues that performance narrows down to what employees do which lead to the outcome. It can be as a result of three types of knowledge namely declarative, procedural and motivation. Generally, it represents the employee's belief regarding what they are able to give to the organization (McCloy et al.1994).

According to Mathis and Jackson (2009), performance refers to completing specified tasks according to the standards laid down by the organization. It can be linked to the quality as well as quantity and also the timeliness of the output at hand. To achieve long term performance, it demands that targets are set at weekly, daily, monthly, quarterly and annually levels to be met by the employees (Armstrong 2009). It is the duty of the managers to make sure that employees meet targets thus contributing to the overall performance of the organization (Daft, 1988). Therefore, it is the top management's duty to set realistic goals and targets, which can guide employee in achieving their targets. To achieve more success, the employees need to be involved in the planning process and setting the targets.

Bond and Fox (2007) observed that some measures of performance of employees include organization outcome i.e. collecting feedback about performance of employees through multiple feedback and self-assessments, taking note of the knowledge, skills and behavior of the staff that help in the achievement of those goals and achievement of organizational objectives. Rudman (2003) stated that measuring employees' performance covers evaluation of the tasks completed and the accomplishments in a given period with the goals set at the beginning of the period. The need for a comprehensive measure of performance is important and organizations

can use them to evaluate employees' performance. Performance can be measured through balanced scorecard as well as performance pyramid systems (Kaplan & Norton, 1992). These methods can be used as diagnostic and interactive tools to measure and improve employees' performance.

1.1.3 Elgon Tea Factory

Elgon Tea and Coffee Limited is the holding company of Elgon Tea Factory located in Trans Nzoia County and was established in 2015. It processes tea that is sourced primarily from the nucleus and over 4000 smallholder farmers within the areas of Trans Nzoia and Nandi counties. The cold climate and volcanic soils in these regions is favorable for growing tea and accounts for the excellent quality and unique product that is made from fresh, carefully selected and high quality tealeaves. The farmers use good practices in line with the principles of international and local certification bodies in order to build sustainable and responsible tea business, food safety standards and procedures are observed and maintained to ensure the final product of high quality. The factory is equipped with the latest and modern technology and machinery in the tea processing for black CTC Teas thus ensuring production efficiency.

Elgon Tea is a licensed tea producer and packer by the tea directorate of AFFA. They also have various certifications including Rainforest Alliance (SAN), Kenya Bureau of Standards (KEBS) and they are ISO 22000 certified. They also have various partnerships with various regulatory bodies including Agricultural and Food Authority- Tea Directorate (AFA-TD), Tea Research Institute, East Africa Tea Traders Association, GS4 and KETEPA. They also collaborate with the local county Government in areas of mutual interest.

The company's vision is to responsibly produce fine tea and their mission is to be recognized leader in providing finest tea appreciated in Kenya and the world in offering customer focused, high quality, dependable tea products resulting in outstanding value for their customers and excellent opportunities for their employees. The company upholds integrity as one of the organizations values and are committed to honesty, reliability, accountability and consistency. Their values guide the way they work with their business partners, communities around them, hence creating value for their shareholders, customers, team members and employees. They believe in

diversity and inclusion irrespective of any individual's background, experience, styles, approaches and ideas (www.elgontea.com).

1.2 Research Problem

It has been demonstrated that human resource policies can be a strategic asset for any organization and can be used to improve labour productivity, Koch and McGrath (1996) argued that an organization should invest in the planning for recruitment, selection and development of employees with an aim of ensuring their performance is enhanced. Memon et al (2010) showed that HR policies are the ingredients for efficiency, motivation, satisfaction and performance. These policies include appropriate promotional grades, equitable and effective compensation structure, opportunities for career growth, training and development. Guest (1989) noted that necessary HR policies can bind employees to the company resulting in reduced turnover, absenteeism, grievances and at the same time increase commitment and improve job performance.

Human resource policies developed and implemented send tangible signs to employees at Elgon Tea Factory of the degree to which the organization is concerned about them. Employees who interprete HR policies as favorable and necessary get motivated because they get a sense of job security, equal opportunity, quality work life, career development and safe working conditions. They also identify more with the company and can be very good ambassadors of the organization by giving positive reviews especially in this digital age and social media use. Perceptions of unfair HR policies in recruitment, promotion, reward opportunities may affect the employees' performance because the view of employees towards the organization and the work itself is affected. Elgon tea factory operates in an intensely competitive environment due to existence of other tea factories in the country that produce and sell the same products. Thus, the organization ensures that their employees are the best performers to meet their production and customers' needs. They also believe in delivering relevant feedback about employee performance, setting and communicating clear performance expectations, having a performance management system, providing learning and development opportunities to employees through training and recognizing top performers.

Previous studies have interrogated the research topic with different results being determined. Chelimo (2017) for instance took a case study of cooperative bank and established how HR policies impacted on employees' performance to reveal that recruitment policies influenced employees' achievement of set targets through recruitment of top talent who perform very well. Appraisal and compensation policies affected employee performance because having an objective appraisal system in place strengthened the organization learning culture. Maintaining a transparent and fair compensation package attracted talented employees by building trust and commitment leading to high performance.

Galinsky et al (1990) interrogated various HR policies specifically work life challenges such as child care, relocation, autonomy and work timing in various companies and institutions of higher learning. The study determined that these factors are critical, they affect productivity, and even though efforts have been put in place to handle them, they are still a problem.

Kaur (2014) focused on organizations in New Zealand and interrogated some of the HR policies adopted and its effect on employee output. The study assessed the effectiveness of strategic human resource management in relation to the presence of the ongoing professional models which include factors like goal settings, ideal action for success, key performance indicators, mentoring and guidance, setting realistic expectations and social rewarding available in 11 organizations that the researcher examined. From his study, he found out that the organizations with a high degree of present ongoing professional development elements had better employee performance than the organizations that did not have one in place.

Ghosh et al (2013) took the context of hospitality industry and revealed how HR policies affected employee performance. The study focused on compensation, performance evaluation, training and development and promotion policies. From their research, they concluded that the human resource policies are necessary for better performance. They observed that many employees were satisfied with the human resource policies in the 3 star hotels but there was need to improve on policies relating to financial and good physical working conditions, work life balance policies. They recommended that when creating a human resource policy, hospitality organizations must make sure that the policies are competitive not only with in their industry.

Where as many studies have been carried out on the theme in other sectors e.g. banking, universities among others no similar studies have been carried out in a tea factory in Kenya. Therefore, this study attempted to fill the gap left by previous researchers in this respect by attempting to answer the research question, what is the perceived effect of Human Resource Policies on the employee performance at Elgon Tea Factory, Trans Nzoia County in Kenya?

1.3 Research Objective

The objective of this study was to establish the perceived effect of HR Policies on employee performance at Elgon Tea Factory, Trans Nzoia County in Kenya.

1.4 Value of the Study

Through this research, current literature on human resource policies and employee performance will be enhanced hence serving as a reference point for other scholars pursuing similar studies. It will also help in establishing the scope and identifying gaps in the current research allowing them to research further on the topic. The results obtained from the study will be used as secondary data further improving the quality of future research. The study will give suggestions on new areas that other researchers can explore.

The management and policy makers at Elgon Tea Factory can benefit from the interrogation because it will help them understand the relationship between human resource policies and employee performance. The management can also question the existing HR policies and how they affect the employee performance, in order to attain growth and meet their objectives. It will also shed light on the importance of the policies hence they can critically evaluate their existing policies and make changes where necessary. The employees in the factory will also appreciate the role the HR policies play in their work environment and how it affects their performance.

The suggestion and findings of the study will inform other tea factories how to manage their employees' performance through policies. This is made possible because the study will enable the leadership understand the critical role HR policies play. It will also help in providing a basis for management to formulate and implement human resource policies to enhance performance. Professional bodies such

as HRM Kenya can also find the interrogation significant in development and improvement of HR policies curriculum.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter, both the theoretical and empirical foundations of the study have been presented. Conceptual literature on human resource policies and measures of employee performance has also been presented.

2.2 Theoretical Foundation of the Study

The theories that guide this study are the social exchange theory and the equity theory. The main theory in which the study is anchored is the social exchange theory. These theories have been explained as follows:

2.2.1 Social Exchange theory

Homans (1961) proposed the theory and posits that if employees sense fair treatment from the organization, they are likely to reciprocate the same. Normally, the employee and employer enter into a relationship which they both perceive would be beneficial to them (Blau, 1964). At the beginning, both parties approach it consciously but as the relationships continue to develop and grow, trust and commitment comes in. Through such interactions, repayment rules are agreed and the actions of one party are repaid by the other party (Tsui, 1997). As a result, both parties strive for fair engagements.

Homans (1961) went further to discuss the elements of the theory i.e. rewards, value of rewards and costs, where he noted that rewards have different values for different people and what is valuable to one person may not be valuable to the other person and it fluctuates with time. Social rewards are those met through interaction with other people i.e. feelings of respect and being socially accepted. Cost is anything of value that is given up.

In line with this study, the theory predicts behavior in groups or organizations by describing the elements and process by which people engage in a relationship, the values of rewards and costs are variables that are usually relevant to employee needs. It specifies the resources of exchange between employers and employees e.g. in training, benefits, pay and job security.

The weakness associated with social exchange theory include the assumption that it fails to explain the importance of group work because it puts a lot of emphasis on individual need fulfilment (Cropanzano, 1989). The theory also tends to over simplify human exchanges by explaining it in terms of rewards, costs and profits hence leaving out other important factors that may impact human exchanges. It is difficult to measure reward values because it is different for every individual and rewards have different interpretations to different people.

2.2.2 Equity Theory

Adams (1965) came up with the theory to explain the need of having fair treatment of employees since employees perceive how they are treated against other employees in the same organization. He proposes that employees measure the fairness of outcomes in relation to the efforts they put in. In cases where they feel that the input –output ratio is not fair, the employees may feel a sense of inequity in the organization. Consequences of inequity may lead to anger guilt and dissatisfaction. This theory draws from social comparison, exchange and dissonance theories to predict how employees manage their relationships with others in an organization. The theory assumes that an individual is concerned with what he is getting compared to what others in the organizations get. Employees expect fair and equitable returns from their work, employees decide what is equitable to them after making comparison and that employees who feel that they are being in an inequitable position will try to distort the input or output toward the company or leave.

The theory argues that distress often creeps in for employees who may feel unfairly treated. As a result, they may craft ways of restoring equity some of which may be reducing the quality of their work or lower productivity; inequality may lead to increased absenteeism or even resignation, Greenberg (1999). Restoring equity is either actual or psychological (Adam, 1965). Actual restoration refers to behavior of the employee who feel injustice i.e. either decreases output, demands for a raise or even destroy the organizations' equipment. Psychological restoration of equity refers to the affected employee persuading him/herself that this inequitable relationship is somehow equitable by deforming reality.

This theory helps in understanding of employee attitudes and motivation process (Miner, 1984) in the study. The theory has also investigated how employees respond

to inequity, efforts to achieve equity or reduce inequity hence it explains employee behavior and offer possible factors that might decrease effectiveness, efficiency and productivity. It documents the need to have fair treatment at workplace and the consequences of not being fair and equitable since employees compare and judge their outcome against that of their colleagues, hence, it is helpful in formulation and designing of HR policies in areas like compensation, performance appraisal, discipline, promotion, recognition, career progression, training and development

Equity theory has weaknesses nonetheless because it cannot predict what employee behavior is likely to be observed when they get a sense of inequity, also it does not give definite answers to when there is equity or inequity. The theory has not accounted for individual employee differences because a number of variables like demographics and psychology affect employee perception of fairness when interacting with colleagues.

2.3 Types of Human Resource Policies

The types of HR policies can broadly be grouped into overall and specific policies (Armstrong, 2007). The overall policy demonstrates how the organization goes about fulfilling its responsibility towards its employees and may range from policies touching on work life balance, work conditions and equity. Specific policies on the other hand touch on handling of specific HR issues such as diversity management, health, safety etc.

Training and development policies- Armstrong (2007) documented that these policies express the organization's training philosophy. Kenney et al (1992) pointed out that they are necessary because they give guidelines to managers and supervisors for proper planning and affecting the training program. It ensures that the organization's training budget is allocated to predetermined needs, they give equal opportunities for training for all employees in the organization and also act as a communication tool to the employees about the training opportunities available. Swart (2005) observed that training helps to deal with skill shortage as well as sort gaps in performance. This gap can be filled by implementing relevant training policies that will help in developing particular skills and abilities. Mullins (2007) augments that a training policy would be more effective when the notion that it is critical, long lasting and that a need to have it exists.

Reward policy- Mejia et al. (2001) demonstrated that this policy is critical in defining the benefits, be it monetary or non-monetary that employees can gain subject to their efforts. Sutherland (2004) and Carrel et al (1992) document that when this policy is well structured, it can directly attract hard work and commitment. Some of the areas that the policy can touch according to Armstrong (2007) are equity in pay, competence and sharing success such as profit sharing.

Promotion policies- they define the practices of elevating employees between ranks to positions which are higher than they currently are. Normally, it is a reward for the past excellent success that an employee has put in their previous line of work. Through promotion, employees are encouraged to work even harder than they are (Bohlander, 2001). Danish et al. (2010) argued that equitable and fair chances of promotion considering the employees' skills and abilities make employees loyal and it becomes a reason for increased efficiency in work performance and job satisfaction.

Performance appraisal policy- seeks to boost performance be it individual or team (Wade & Ricardo, 2001). It also assists in effecting administrative decisions related to transfers, salary increment or termination. Rudman (2003) argued that this policy can be instrumental in increasing employee performance through involving during the goal setting process. Regular feedback given to employees about their performance both present and past ensures that employees improve in their performance.

Recruitment and selection policies- Beer et al. (1984) define this policy as being critical in ensuring that new employees are attracted, retained and well managed. This policy determines the composition of the entire workforce. Through this policy, an organization can have the right workforce to manage its intended culture and goals.

Health and safety policy declares the intention of the organization to make sure that the staff, clients and suppliers are safe and indeed healthy. The employer usually develops the OSH policy after discussions with employees and their representatives which is customized to the organization's needs, suitable to the company size and nature of business. The policy statement on health and safety is then communicated and made available to all employees in the organization. It is often reviewed for sustainability and relevance (ILO, 2001)

Sexual harassment policy- Armstrong (2007) demonstrated the importance of indicating that the firm does not tolerate sexual harassment and that those victims will

be supported and counseled in slim scenarios that it happens. Efforts will be made to solve the problem informally but in case it doesn't work, then legal action can be supported by the organization.

Substance abuse policy- Pidd (2015) documents that this involves prohibition of the abuse of drugs as well as alcohol at work, provision of counselling to the affected as well as supporting drug tests. The policy plays a significant part in establishing a healthy work atmosphere that doesn't have staff abusing drugs and alcohol. It is a requirement of NACADA (2009) that all organizations need to publish this policy.

Disciplinary policy- it involves general guidelines to be followed by a manager in managing employee's discipline. The main goal is to set the organizations climate with in which disciplinary matters will be determined (Salamon, 1987). It is a formal document that explains exact sequence of progressive disciplinary action for specific offences and categorizes offences. Discipline is usually regarded as corrective rather than punitive measure, the aim of this policy is to help employees know and understand what standards are expected from them (Nel et al. 2007). If these policies are correctly written, reviewed and implemented disciplinary policies can reduce employer liability and improve employee performance by correcting a problem quickly and becoming productive eventually (Brent, 2010)

Grievance policy- Casey (1984) observed that the aim of a grievance policy is to resolve grievances related to employment as effectively as possible. The policy helps organization s maintain a harmonious working environment free from intimidation and harassment. It encourages employees to express their concerns about work related issues (Armstrong, 2009).

HIV/ AIDS policy- the policy is written and acknowledged that the organization accepts HIV / AIDS as an issue and clearly documents programmes towards managing the issue as well as organizational commitment and support towards the same (Mackenna, 2006). HIV/AIDS prevention and control Act 2006 guides the review of HIV/ AIDS work place policies making reference to provision of education, information in the workplace, discrimination, privacy, confidentiality and employee rights.

2.4 Measures of Employee Performance

Employee performance can be measured using two elements i.e. task and contextual performance. Borman (1997) observed that task performance is often looked in terms of task quality, efficiency and problem solving. Task proficiency includes exhibiting accuracy at work, mastery of the job tasks, paying attention to detail, avoiding errors and lastly the ability to produce high quality work. Productivity is when an employee uses resources effectively, operates in a cost efficient manner, use time well while at work, meets deadlines and consistently produces large amounts of works. Judgement includes the ability of the employee to come up with decisive decisions in terms of turmoil, accuracy when analyzing problems as well as settling on effective decisions when faced with critical challenges Ahuja (1992) documented that it can be measured through efficiency as well as productivity, how effective the employees are, their quality of work and also profitability. Effectiveness refers to the ability to achieve goals and objectives with available resources, it constitutes doing the right things, (Grobler et al. 2011). Efficiency is doing things right the beginning to avoid wastage of resources and avoid redoing a task. It is the ability to maintain satisfactory relationship between cost involved and benefits accrued. Productivity represents the output of goods and services that can be obtained from a given input of employees (Armstrong, 2003). Profit is the monetary benefit or advantage gained after preforming an economic activity.

Contextual performance refers to activities that an employee partakes in that are not part of their normal job duties. It is linked to what an employee gives back to the organization; they back up the wider organizational, psychological and social environment where the employee works (Motowidlo, 1997). This falls under personal, organizational and conscience initiative. An employee can demonstrate personal support through helping other employees, imparting skills and knowledge, showing consideration, being courteous and having empathy for employees who are going through tough situations at either work or personal life. Supporting the organizational involves holding the organization in high esteem through promoting, expressing satisfaction, showing loyalty and implementing the organizations missions and goals. Conscience initiative involves employees showing efforts to develop skills using their own resources and time, accomplishing their set goals and going an extra mile to

finish work that is not necessarily their duty when called to do so (Borman et al., 2001).

2.5 HR Policies and Employee Performance

Manhotoma et al. (2014) interrogated HR policies on employee performance at two hotels in Botswana, they examined on reward systems, policy formulation, communication and working hours. The study concluded that the current HR policies at the two hotels did not contribute to making the employees perform better hence they were not effective. However it noted that hotel A had better and established HR policies than hotel B which needed to improve on policies associated with reward and recognition. They also noted that employees should contribute towards developing policies and consulted when making decisions that concern them. Generally, employees from both hotels felt dissatisfied with the policies because they felt they were leaning on the organizations objectives hence lowering productivity.

Khan (2002) examined human resource policies and performance of employees in Indian banks. Focusing on 100 employees working in one of the banks, the paper concluded that the policies were of positive effect and they perform a very important role in an organization because policies and employee performance are correlated. The researcher concluded that properly designed HR policies motivate employees to work hard and reach their objectives.

Pule et al. (2014) focused on the HR policies adopted by the management of Kampala University in Uganda and linking it to job satisfaction between expatriates and local staff. It was established that there was a low variation in HR policies between the two groups of employees but there was difference in rewards policy, which favored expatriates. The study concluded that in order for fairness to be created, the university should stream line their policy on rewards.

Kwenin et al. (2013) established whether employee job satisfaction, rewards and HR policies were critical in retaining employees at Vodafone Ghana. The study surveyed 142 employees. It was revealed that adequate reward systems creates equity and makes employee retention rate high. The study concluded that job satisfaction and supportive policies i.e. career growth, performance management and promotion opportunities have a positive link with employee retention.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter plays a significant role in highlighting the methods adopted in achieving the objectives ranging from the design used, target population, how data was collected and how it was analysed and presented.

3.2 Research Design

It is a map indicating how the research process is to be driven (Schindler & Coopers, 2003). A descriptive survey was suitable for this interrogation. Descriptive research design has 3 main objectives i.e. to discover whether a causal relationship exists between variables, determine the frequency of occurrence and to describe the state of the variables. They observed further that a descriptive survey supports the use of questionnaires to collect data to validate hypotheses.

3.3 Population of the Study

It refers to all the units to be involved in a research. The population of this study compromised of all the 107 employees of Elgon Tea Factory obtained from the company's records as at June 2019. The researcher did a census survey, where the target respondents were all the employees.

3.4 Data Collection

A structured questionnaire with closed questions to collect quantitative data. It was structured into three sections where section A contained questions on demographic data; B contained questions on human resource policies while C had questions on a likert scale. They were issued and picked after a period of two weeks.

3.5 Data Analysis

The methods were descriptive where the data was analysed through percentages, mean and standard deviation as measures of central tendencies as well as inferential. Correlation analysis was used to find out the nature, magnitude and strength of how the policies affected employee performance.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Introduction

The chapter gives a description of data analysis and presentation of the results, its interpretation and discussion.

4.2 Response Rate

The findings obtained were presented as shown in Table 4.1

Table 4.1: Response Rate

Category	Frequency	Percentage
Response	93	86.9
Non-Response	14	13.1
Total	**107**	**100.0**

Source: Research data (2019)

From Table 4.1 it is clear that there were 107 employees in Elgon Tea Factory, where the population of this study was 107 respondents. A total of 93 (86.9%) responded while 14(13.1%) did not. Morris (2008) argued that a response rate above 50% is sufficient hence this response rate is sufficient.

4.3 Demographic Attributes of Respondents

The demographics of the respondents applied in the study focused on gender, age, level of education, years of working, and respondents' current position.

4.3.1 Gender of the Respondents

The researcher sought to establish the gender distribution of the respondents as outlined in table 4.2.

Table 4.2: Gender of the Respondents

Gender	Frequency	Percent
Male	73	78.5
Female	20	21.5
Total	**93**	**100.0**

From the Table 4.2 it is clear that there were 73 male respondents who represented 78.5% of the total respondents and 20 female respondents who represented 21.5% of the respondents.

4.3.2 Age of the Respondents

The study sought to find the age of the respondents, the findings obtained were presented as shown in Table 4.3

Table 4.3: Age of the Respondents

Age	Frequency	Percent
20-30 years	31	33.3
31-40 years	16	17.2
41-50 years	16	17.2
51-60 years	20	21.5
above 60 years	10	10.8
Total	**93**	**100.0**

Table 4.3 indicates that a third of the respondents were in the bracket of 20-30 years, 17.2% were between 31-40 years and 41-50 years, while 21.5% were 51-60 years, whereas 10.8% of the respondents were above 60 years.

4.3.3 Respondents' Level of Education

The study interrogated the respondent's education level to ascertain whether they were in a position to respond to the questions, the findings obtained were presented as shown in Table 4.4

Table 4.4: Respondents' Level of Education

Education level	Frequency	Percent
Secondary	17	18.3
Diploma	47	50.5
Graduate	28	30.1
Post graduate	1	1.1
Total	**93**	**100.0**

Table 4.4 showed that the graduates were 30.1%, Diploma were 50.5% while 18.3% and 1.1% had secondary level and postgraduate educational levels. They were hence deemed literate and able to give meaningful responses.

4.3.4 Work Experience

Respondents' work experience was grouped according to the range of the years worked even in other organizations. The findings obtained were presented as shown in Table 4.5

Table 4.5: Work Experience

Experience	Frequency	Percent
Less than 1 year	23	24.7
1-5 years	43	46.2
6- 10 years	15	16.2
above 10 years	12	12.9
Total	**93**	**100.0**

As presented in table 4.5, it is evident that 46.4% of the respondents had worked for a period less than 5 years but more than 1 year, 24.7% had a work experience below a year, 16.2% had worked for a period more than 6 years but below 10 years while 12.9% had a work experience of more than a decade.

4.3.5 Current Position of the Respondents

The study sought to find the current position of the respondents, the findings obtained were presented as shown in Table 4.6

Table 4.6: Current position of the Respondents

Position	Frequency	Percent
Top management	5	5.4
Middle level	15	16.1
Lower level	73	78.5
Total	**93**	**100.0**

The research chose to collect data from various respondents irrespective of their positions since they fully participate in the companies' human resource policies, suggesting that they understand how they relate to employee performance. Table 4.6 illustrates that majority (78.5%) of the respondents were in lower positions in management and the rest in top (5.4%) and middle (16.1%).

4.4 Human Resource Policies

Respondents' rated statements on human resource policies as shown in Table 4.8. presented in Table 4.7.

Table 4.7: Human Resource Policies

	Strongly disagree	Disagree	Moderate	Agree	strongly agree	Mean	Std. Deviation
The organization has training and development as a core human resource policy	0.0%	0.0%	23.7%	55.9%	20.4%	3.9677	.66678
Performance appraisal is based on a fundamental human resource policy in the organization	0.0%	0.0%	20.4%	60.2%	19.4%	3.9892	.63408
My organization has a policy on rewards i.e. financial and non-financial rewards	0.0%	0.0%	26.9%	57.0%	16.1%	3.8925	.65046
Reward policy is aimed at enhancing performance	0.0%	0.0%	34.4%	48.4%	17.2%	3.8280	.70130
The organization has a formal recruitment and selection policy	0.0%	0.0%	25.8%	60.2%	14.0%	3.8817	.62292

The recruitment and selection policies make one understand the job roles and responsibility from the onset to enable them meet targets	0.0%	0.0%	30.1%	60.2%	9.7%	3.7957	.59998
There is a health and safety policy for the organization.	0.0%	0.0%	28.0%	40.9%	31.2%	4.0323	.77251
The organization provides employees a safe work environment through accident prevention and safety programs.	0.0%	0.0%	9.7%	76.3%	14.0%	4.0430	.48709
The organization has a transparent promotion policy	0.0%	0.0%	12.9%	75.3%	11.8%	3.9892	.49988
The organization has a well-documented sexual harassment policy	0.0%	0.0%	6.5%	78.5%	15.1%	4.0860	.45816
The policy provides a functioning counseling unit for victims of sexual harassment	0.0%	0.0%	5.4%	74.2%	20.4%	4.1505	.48781
Substance abuse is covered in the human resource policy	0.0%	0.0%	19.4%	74.2%	6.5%	3.8710	.49400

The company has a well-established and functioning counseling unit as provided in the HR policy	0.0%	0.0%	18.3%	50.5%	31.2%	4.1290	.69510
The organization has a documented disciplinary policy	0.0%	0.0%	35.5%	54.8%	9.7%	3.7419	.62386
The company has a documented grievance policy	0.0%	0.0%	33.3%	62.4%	4.3%	3.7097	.54335
Grievance policy creates a harmonious working environment free from intimidation and harassment	0.0%	0.0%	18.3%	64.5%	17.2%	3.9892	.59881
The company has a documented policy that deals with HIV/AIDS in the work place	0.0%	0.0%	35.5%	47.3%	17.2%	3.8172	.70628
Average mean						**3.94**	

Table 4.7 illustrates that 55.9% revealed that Elgon Tea Factory has training and development as a core human resource policy (M = 3.9677; SD = 0.66678); 60.2% showed that that performance appraisal is based on a fundamental human resource policy in the organization (M =3.9892; SD=0.63408) and that Elgon Tea Factory has a policy on rewards i.e. financial and non-financial rewards (M = 3.8925; SD = 0.65046). Majority 57.0% stated that reward policy is aimed at enhancing performance (M=3.8280; SD=0.70130), whereas 60.2% said that the organization has a formal recruitment and selection policy. Respondents also showed that recruitment and selection policies make one understand the job roles and responsibility from the

onset to enable them meet targets (M =3.7957; SD=0.59998) while 40.9% agreed that there is a health and safety policy for the organization (M = 4.0323; SD = 0.77251). Further 76.3% indicated that that the organization provides employees a safe work environment through accident prevention and safety programs (M = 4.0430; SD = 0.48709); the organization has a transparent promotion policy (M =3.9892; SD=0.49988), while it was evident that Elgon Tea Factory has a well-documented sexual harassment policy (M = 4.0860; SD = 0.45816). Notably, it was also indicated that the organization provides a functioning counselling unit for victims of sexual harassment with (M = 4.1505; SD = 0.48781).

The study established that substance abuse is covered in the human resource policy as supported by 74.2% of the respondents (M =3.8710; SD=0.49400). Evidently, 50.5% of the respondents agreed that the company has a well-established and functioning counseling unit as provided in the HR policy (M = 4.1290; SD = 0.69510) while it was clear that the company has a documented grievance policy (M =3.7097; SD=0.54335). It was also indicated that grievance policy creates a harmonious working environment free from intimidation and harassment (M = 3.9892 ;   SD   = 0.59881. Notably, 47.3% revealed that the company has a documented policy that deals with HIV/AIDS in the work place (M = 3.8172; SD = 0.70628).

4.5 Perception of the Relationship between Human Resource Policy and Employee Performance

Respondents' perception of the relationship between human resource policy and employee performance was established as shown in Table 4.8.

Table 4.8: Human Resource Policy and Employee Performance

	strongly disagree	disagree	Moderate	agree	strongly agree	Mean	Std. Deviation
Presence of a human resource policy has improved my understanding of performance standards expected of me	0.0%	0.0%	12.9%	62.4%	24.7%	4.1183	.60522
Has led me to teach and disseminate useful skills and knowledge to my colleagues	0.0%	0.0%	19.4%	54.8%	25.8%	4.0645	.67254
I attribute my ability to use resources effectively and efficiently to human resource policy	0.0%	0.0%	14.0%	45.2%	40.9%	4.2688	.69376
Human resource policy has helped me prioritize tasks according to urgency in order to meet deadlines and objectives in good time	0.0%	0.0%	28.0%	55.9%	16.1%	3.8817	.65689
HR policy has helped me set clear and realistic goals to achieve in a given time period	0.0%	0.0%	15.1%	60.2%	24.7%	4.0968	.62666

Presence of a HR policy has helped me display extra effort whenever necessary to complete my tasks	0.0%	0.0%	5.4%	41.9%	52.7%	4.4731	.60057
HR policy has helped me to show empathy, listen to fellow employee problems and support them whenever they ask for help	0.0%	0.0%	11.8%	60.2%	28.0%	4.1613	.61309
HR policy has helped me get the cooperation I need from my team members to be productive	0.0%	0.0%	14.0%	67.7%	18.3%	4.0430	.56940
Presence of a HR policy has helped me make few mistakes while performing my duties	0.0%	0.0%	9.7%	63.4%	26.9%	4.1720	.58279
Average Mean						**4.14**	

Table 4.8 illustrates that 62.4% of the respondents agreed that presence of a human resource policy has improved their understanding of performance standards expected from them (M= 4.1183; SD = 0.60522). Moreover, human resource policy had made them teach and disseminate useful skills and knowledge to their colleagues (M =4.0645; SD = 0.67254), whereas the study established that respondents attributed their ability to use resources effectively and efficiently to human resource policy (M = 4.2688; SD = 0.69376). It was also shown that human resource policy has helped employees prioritize tasks according to urgency to meet deadlines and objectives in good time (M = 3.8817; SD = 0.65689).

Further to the above, majority (60.2%) of the respondents agreed that human resource policy has helped them set clear and realistic goals to achieve in a given time period (M = 4.0968; SD = 0.62666). On the other hand, the study established that presence of a human resource policy has helped them display extra effort whenever necessary to complete their tasks (M = 4.4731; SD=0.60057). Evidently, the study established that human resource policy has helped respondents to show empathy, listen to fellow employee problems and support them whenever they ask for help (M = 4.1613; SD = 0.61309). Majority (67.7%) of the respondents agreed that human resource policy has helped them get the cooperation they need from their team members to be productive (M = 4.0430; SD=0.56940). Majority (63.4%) of the respondents agreed that Presence of a human resource policy has helped them make few mistakes while performing their duties (M = 4.1720; SD = 0.58279.

4.6 Pearson Correlation Analysis

Correlation analysis analysed the strengths of relationship in the model, that is, which variable best explained the employee performance of Elgon Tea Factory. The summary results are presented in Table 4.9.

Table 4.9: Correlation Matrix

		1	2	3	4	5	6	7
Training and development policy(1)	Pearson Correlation	1	-.052	.268**	-.058	.069	-.125	.568**
	Sig. (2-tailed)		.619	.010	.578	.510	.231	.000
Promotion policy (2)	Pearson Correlation	-.052	1	-.293**	-.053	-.168	.023	-.027
	Sig. (2-tailed)	.619		.004	.613	.107	.829	.799
Rewards policy(3)	Pearson Correlation	.268**	.293**	1	-.052	.090	.505	.055
	Sig. (2-tailed)	.010	.004		.025	.505	-.126	.025
Performance appraisal policy (4)	Pearson Correlation	-.058	-.053	-.052	1	-.022	-.472**	-.551**
	Sig. (2-tailed)	.578	.613	.025		.833	.000	.000
Recruitment and selection policy (5)	Pearson Correlation	.069	-.168	.090	-.022	1	-.094	.045
	Sig. (2-tailed)	.510	.107	.505	.833		.368	.671

Health and safety policy (6)	Pearson Correlation	-.125	.023	-.126	-.472**	-.094	1	.277**
	Sig. (2-tailed)	.231	.829	.234	.000	.368		.007
Employee Performance (7)	Pearson Correlation	.568**	-.027	.588**	-.551**	.045	.277**	1
	Sig. (2-tailed)	.000	.799	.000	.000	.671	.007	
	N	93	93	93	93	93	93	93

**. Significant at 1%

*. Significant at 5%

Based on the presentation in Table 4.13, there is a moderate but positive and significant effect of training and development policy on employee performance (r = 0.568). Promotion policy negatively but insignificantly affects employee performance (r = -0.027). Reward policy on the other hand has a moderate but positive and significant effect (r = 0.588). Performance appraisal policy has a moderate and negative but significant effect (r = - 0.551); Recruitment and selection policy has weak, but positive and not significant effect (r = 0.045) while Health and safety policy has a moderately weak, positive, and significant effect (r = 0.277).

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter summarizes the findings in Chapter four, gives conclusions guided by these findings and finally presents the recommendations for policy.

5.2 Summary

The study interrogated the perceived relationship between HR policies and employee performance taking a case of Elgon Tea Factory. The study established whether respondents understood the concept of human resource policies since it a key predictor of employee performance. Independent variables adopted in the study included various statements of human resource policies that affect employee performance. Both inferential and descriptive statistics were used for data analysis.

It was also demonstrated that Elgon Tea Factory has training and development as a core human resource policy. Evidently, the study revealed that reward policy is aimed at enhancing performance and that the organization has a formal recruitment and selection policy as supported by majority of the respondents. Furthermore, the researcher found out that the recruitment and selection policies makes employees understand the job roles and responsibility from the onset hence enabling them to meet targets. Notably, the study established that Elgon Tea Factory has a health and safety policy. Analysis of the collected data pointed out that the Elgon Tea Factory has a transparent promotion policy. It was evident that the organization has a well-documented sexual harassment policy and that Elgon Tea Factory's human resource policy provides for a functioning counseling unit for victims of sexual harassment.

The study established that substance abuse is covered in the human resource policy of the company as agreed by majority of respondents. Moreover, analysis of the collected data revealed that the company has a well-established and functioning counseling unit as provided in the HR policy in addition to existence of a documented disciplinary policy. Results reveal that the company has a documented grievance policy, where the grievance policy creates a harmonious working environment free from intimidation and harassment. Notably, the study established that Elgon Tea Factory has a documented policy that deals with HIV/AIDS in the work place as supported by majority of the respondents.

Inferential interrogation demonstrated that training and development as well as health policy has a positive influence while Promotion policy has a negative nut significant influence. On the other hand, recruitment and selection policy has a positive but not significant effect.

5.3 Conclusion

The study concludes that most of the HR policies at Elgon Tea Factory affect employee performance positively. The study concludes that employee training and development equips employees with appropriate skills and eventual increase in employee performance. Further, reward policy improves employee performance, formal recruitment and selection policy is insignificant. Put differently, recruitment strategies do not define whether prospective employees will register better performance; however, internal processes, such reward policies and training are true predictors of employee performance. The recruitment and selection policies that touch on understanding of roles are critical in improving employee performance.

5.4 Recommendations

There is a need to develop training practices as a basis of augmenting the skill set of employees since training and development prepares employees for future changes in terms of operating environment and organizational restructuring. In addition, organizations should provide customized training as a basis of equipping individual employees with appropriate skills and competencies.

The study recommends that organizations should formulate reward policies that are aligned to the organizational culture as a basis of providing incentives to employees for better and/or enhanced performance. The study established that recruitment and selection policies based on job roles influences employee performance. Organizations should focus their attention to recruit and select with a clear view of ensuring prospective employees are in a position to understand their roles.

5.5 Limitations of the Study

Although valuable insights have been presented by the study, the researcher encountered various challenges when conducting the research that included some of the respondents did not give full cooperation, as some did not return filled questionnaire. Additionally, longer time periods were also taken in data collection.

5.6 Suggestion for Further Research

From the analysis of the findings, it can be suggested that other focus can be on what factors are critical for successful implementation of human resource policies. Moreover, comparative study involving firms from other sectors/industries should be undertaken to establish patterns and trends of data and/or results. For others studies, various ways of collecting data, different study designs should be employed to see if such results would be similar or if there would be variation.

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APPENDIX: QUESTIONNAIRE

The purpose of this questionnaire is to help in collection of data for the study of the effect of human resource policies on employee performance at Elgon Tea Factory, Transnzoia County in Kenya. Please provide your personal views, it is purely for academic purposes and views expressed will be treated with utmost confidentiality.

Please indicate the answers by ticking inside the box corresponding to your choice.

PART I: GENERAL INFORMATION

Gender: Male [ ]   Female [ ]

Age: 20-30 [ ]   31-40 [ ]   41-50 [ ]   51-60 [ ]   above 60 [ ]

Level of education: Secondary [ ]   Diploma [ ]   Graduate [ ]   Post graduate [ ]   Others (Specify) ………………………………………………….

How long have you worked for the organization?

Less than 1 year [ ]   1-5 years [ ]   6- 10 years [ ]   above 10 years [ ]

What is your current position?

Top management [ ]   Middle level [ ]   Lower level [ ]

PART II: HUMAN RESOURCE POLICIES

Please indicate the extent of your agreement with the following statements on a 5 point scale (please select one), where, 1= strongly disagree, 2= disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree

Variables	1	2	3	4	5
The organization has training and development as a core human resource policy					
Performance appraisal is based on a fundamental human resource policy in the organization					
My organization has a policy on rewards i.e. financial and non-					

financial rewards					
Reward policy is aimed at enhancing performance					
The organization has a formal recruitment and selection policy					
The recruitment and selection policies make one understand the job roles and responsibility from the onset to enable them meet targets					
There is a health and safety policy for the organization.					
The organization provides employees a safe work environment through accident prevention and safety programs.					
The organization has a transparent promotion policy					
The organization has a well-documented sexual harassment policy					
The policy provides a functioning counseling unit for victims of sexual harassment					
Substance abuse is covered in the human resource policy					
The company has a well-established and functioning counseling unit as provided in the HR policy					
The organization has a documented disciplinary policy					
The company has a documented grievance policy					
Grievance policy creates a harmonious working environment free from intimidation and harassment					
The company has a documented policy that deals with HIV/AIDS in the work place					

PART III: PERCEPTION OF EFFECT OF HUMAN RESOURCE POLICY ON EMPLOYEE PERFORMANCE

Statement	1	2	3	4	5
Presence of a human resource policy has improved my understanding of performance standards expected of me					
Has led me to teach and disseminate useful skills and knowledge to my colleagues					
I attribute my ability to use resources effectively and efficiently to human resource policy					
Human resource policy has helped me prioritize tasks					

according to urgency in order to meet deadlines and objectives in good time					
HR policy has helped me set clear and realistic goals to achieve in a given time period					
Presence of a HR policy has helped me display extra effort whenever necessary to complete my tasks					
HR policy has helped me to show empathy, listen to fellow employee problems and support them whenever they ask for help					
HR policy has helped me get the cooperation I need from my team members to be productive					
Presence of a HR policy has helped me make few mistakes while performing my duties					