

**EMPLOYEE PERFORMANCE MANAGEMENT PRACTICES IN  
EAST AFRICA BREWERIES LIMITED KENYA**

**BY**

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## **DECLARATION**

This management research project is my original work and has not been submitted for examination in any other university.

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This management research project has been submitted for examination with my approval as university supervisor

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To my wife and children who always ensured that I remained focused through their encouragement and patience throughout the whole process.

## **DEDICATION**

I dedicate this work to my beloved family i.e. my dear wife, children and parents. My sincere appreciation also goes to all those who believed in my abilities and capabilities in the pursuit of this course.

## **ABSTRACT**

Performance Management is a key business tool for organizations that have activities that recur. This is a very vital ingredient in the realization of the firm's established objectives and goals. The objective of this study is to determine employee performance management practices in East Africa Breweries Limited Kenya. The research was conducted through a case study. A case study method is a very popular form of qualitative analysis and involves a careful and complete observation of a social unit, be that unit a person, a family, an institution, a cultural group or even the entire community (Kothari, 2004). Primary data was collected using a structured interview guide involving the use of a set of predetermined questions and of highly standardized techniques of recording. The respondents were 5 heads of departments namely; Packaging, Quality, Brewing, Engineering and Human Resources because they were in a better position to know more about the employee performance management practices applied in the organization. Data collected was of a qualitative nature. The first step was that of organizing of this data from interview transcripts and observation notes. Thereafter the data was analyzed using content analysis to analyze the findings from the interview guide. The summary of findings indicates that; Employee performance management practices in East Africa Breweries Limited Kenya are only applicable to management staff while leaving out the union staff. It is an inclusive and participatory process for the management staffs who are involved. There exists a strong interrelationship between performance planning and goal setting, measurement, review, rating and reward of employees. The study recommends that in order for East Africa Breweries Limited Kenya to remain highly competitive, it should sustain integrating employee performance management practices with its organizational strategies and objectives and involve the union staff in undertaking employee performance management practices since they form a critical part of strategy and objectives implementation and as such the need for them to synergise with the organizations goals. The study recommends that other organizations should strongly embrace employee performance management practices in order to remain viable and focussed to their objectives.

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1.1 Background of the Study**

Performance means the behaviors and results. Behaviors emanate from the performer and transform performance from abstraction to action. Performance management is based on the principle of management by agreement or contract rather than management by command. It emphasizes development and the initiation of self managed learning plans as well as the integration of individual and corporate objectives. Performance management is about managing the organization. It is a natural process of management, not a system or technique (Fowler, 1990). It is also about managing within the context of the business (its internal and external environment). This will affect how it is developed, what it sets out to do and how it operates. The context in this aspect is very important. Jones (1995) goes as far as to say “manage context not performance”. Performance management concerns everyone in the business and not just managers. It rejects the cultural assumption that only managers are accountable for the performance of their teams and replaces it with the belief that responsibility is shared between managers and team members. In a sense, managers should regard the people who report to them as customers for the managerial contribution and services they can provide.

Managers and their teams are jointly accountable for results and are jointly involved in agreeing what they need to do and how they need to do it, both in monitoring performance and in taking action. In their recent report, David Guile and Nickie Fonda argue that underlying the current debates about organizational competitiveness is an assumption that the drive to enhance performance is making ever-greater demands on the knowledge and skills of the workforce and that people will carry a much greater responsibility for their own performance (Guile and Fonda, 1998). In short, best-practice performance management processes are part of a holistic (i.e. all-embracing) approach to managing for performance, which is the concern of everyone in the organization. It should be however noted that, this is not necessarily universal practice and consequently, performance management is carried out with varying degrees of success and commitment



from employees. In this regard, organizations need to align their performance management practices with organizational systems such as recruitment, selection, compensation, training and development, career development and succession planning. The bottom line for this is to ensure that employees are competitively selected, recruited orientated, grown, assessed, rewarded, trained, developed and progressed within the organization based on the outlined factors.

### **1.1.2 Employee Performance Management**

Armstrong and Baron (1998) defined employee performance management as a strategic and integrated approach to increasing the effectiveness of companies by improving the performance of the people who work in them and by developing the capabilities of teams and individual contributors. Strategic approach is concerned with the broader issues facing the business and achievement of short term and long term goals. Integrated approach may be looked at from four perspectives; Vertical Integration i.e. aligning business, team and individual objectives, Functional Objectives i.e. linking functional strategies and activities, Human Resource Integration i.e. especially capacity development, productivity and reward and lastly Integration of corporate and individual objectives.

Employee performance management is concerned with performance improvement in order to achieve organizational, team and individual effectiveness. Organizations as stated by Lawson (1995) 'have to get the right things done successfully'. Performance is not only about what is achieved but about also how it is achieved. Management is involved in direction, measurement and control. But these are not the exclusive concerns of managers: teams and individuals participate as stakeholders hence a view is emerging of performance management which gravitates around dialogue, partnering, shared common understanding and sincere agreements rather than rating employees for financial gain purposes. It is on this premise that employees are increasingly asserting and owning their performance management agenda by continuously undertaking self assessments throughout the year as opposed to a one-off exercise (Torrington, 2008).

Employee performance management is also concerned with development which is perhaps the most important function of performance management. Performance is not achievable unless there are effective processes of continuous development. This addresses the core competences of the organization and the capabilities of individuals and teams. Fletcher (1993) states that the real concept of performance management is associated with an approach to creating a shared vision of the purpose and aims of the organization, helping each employee understand and recognize their part in contributing to them, and in so doing, manage and enhance the performance of both individuals and organizations.

### **1.1.3 Employee Performance Management Practices**

Armstrong (2000) indicates that employee performance management practices entails setting of agreed objectives and reviewing of performance and resultant outcomes against the set objectives. It involves in depth relevant training and development activities, agreeing on performance and personal development plans and reviewing achievements against these set personal development plans. It also includes incentives in terms of pay structures and performance management related processes. Employee performance management practice needs not to be looked at simply as an exercise whereby the line managers have to constantly keep on reminding their direct reports to complete their appraisal documents and submit to the human resource department, but holistically as an all inclusive process whereby all concerned parties must participate.

Employee performance management practices may also include setting of goals, selecting workers and placing them in appropriate jobs, appraising performance, compensation, training and development and career management (Dessler, 2003). Employee performance management practice is a process whereby desired results are attained within the entire organization by understanding and managing performance through agreed framework of set goals, standards and necessary competencies required (Philpott and Shepherd, 1992).

Employee performance management practices are concerned with output, outcomes, process and inputs - results, impact made on performance, how output is delivered and

the competencies needed to perform. Fletcher and Williams (1992) suggested that 'The interest with competencies perhaps signifies a much more explicit concerns with means and not just ends'; Planning i.e. defining expectations through business plans expressed as objectives at unit and individual employee levels; Measurement and reviews i.e. assessing results and reviewing progress; Continuous development and improvement i.e. organizational and individual learning from successes and challenges inherent in the work experiences; Communication i.e. culture of dialogue between employees and their supervisors; Stakeholders i.e. the needs of owners, employees, management, customers, suppliers and other interest groups are satisfied.

### **1.1.3 East Africa Breweries Limited Kenya**

East Africa Breweries Limited Kenya as it is currently known boasts of a rich heritage having been formed in 1922 under the name of Kenya Breweries Limited. East Africa Breweries Limited Kenya is East Africa's leading branded alcohol beverage business with an outstanding collection of brands that range from beer, spirits and adult non alcoholic drinks reaffirming its standing as a total adult beverage company. With breweries, distilleries, support industries and a distribution network across the region, the group's diversity is an important factor in delivering the highest quality of brands to East African consumers and long-term value to East African investors (<https://www.eabl.com>).

As a consumer driven business, East Africa Breweries Limited Kenya takes time to study the market and understand consumer needs and wants as well as how best to satisfy them. That is why it constantly invests in innovating and renovating its brands to stay at par with dynamic consumer trends. That goes hand in hand with its vision of being the most celebrated business in Eastern Africa. East African Breweries Limited Kenya boasts of a rich pool of professional talents both in the management and union cadres within East and Central African region. In 2012 it was declared the employer of choice and best company to work for through a survey conducted by Deloitte and Touche consultants (<https://www.eabl.com>).

One of East Africa Breweries Limited Kenya's capabilities and leadership standards is to, manage people for success. In this regard, East Africa Breweries Limited Kenya has a

longstanding fundamental belief that by releasing the potential of every employee it will achieve greater business performance. This underpins the philosophy of its people's processes and particularly performance for growth that is; Know me, Focus Me, Value Me as a performance management tool. The people manager tool is central to bringing the essence of performance management to life, acting on this belief.

## **1.2 Research Problem**

The increasingly competitive environment of the 1990s and associated recessionary period remains a dominant factor even today and has been identified as a major influence leading to increased concern for performance improvement (Williams, 2002). The importance of performance management practice is vital in providing a checking mechanism of resourcing policies and procedures, evaluating the quality of recruits and hence the underlying decision making process. It also monitors employee's commitment and the relevance of their working behaviour to business, as well as providing rationale for an organization pay policies (Price, 2007). Kandula (2006) adds competitiveness, sustainable results, collective development, measurable management and fulfilling of HR needs to the importance of performance management practice. Performance management has grown out of the realization that a more continuous and integrated approach is needed to manage and reward performance. It is therefore the responsibility of the line managers to ensure that performance is managed properly for the benefits of individual and the organization. Some performance management systems are development driven and some are reward driven. However, a view is emerging of performance management which centres on 'dialogue', 'shared understanding', and 'agreement' rather than rating employees for pay purposes. To this end, organizations are increasingly suggesting that employees take more ownership of performance management and become more involved in collecting self assessment evidence throughout the year (Torrington, 2008).

The alcoholic industry is operated in a liberalized economy and competition among the players is no exemption. The impact of these challenges is felt in the reduced market share and profitability. In view of these challenges, there is the dire need for organizations in this industry to realize that employee performance management practices is a critical tool particularly in translating the employed strategies into results. The

Kenyan market is still not well versed with the diversity of the alcoholic industry and thereby presents a large untapped market in terms of variety of drinks. The market can only be fully exploited if proper performance management practices are put in place in order to monitor, guide and reinforce proper selection processes and reward programs. East Africa Breweries Limited Kenya has a performance management system in place referred to as partner for growth. The partner for growth is premised on the belief that East Africa Breweries Limited Kenya can only achieve its ambitious business performance goals by releasing the potential of each and every employee in the business. This can only be realised when business leaders partner with employees to deliver both business and personal goals. The performance for growth process supports and enables employees to deliver business performance and in the process also achieves their own personal growth aspirations. It is based on the philosophy that sustainable business performance comes from developing people's experiences, skills and capabilities and recognizing and valuing their contributions.

In Kenya, several studies have been carried out on the subject of performance management. Njagi (2003) in his study on performance principles in the banking sector indicated that firms needed to embrace employee performance management principles as part and parcel of their managerial systems due to global economic competition. Oresi (2005) conducted a study on employees' performance management practices for the court registry staff and concluded that the gains realised in the sector were as a result of prudent implementation of performance management practices. Korir (2006) in his studies of performance contracting in state corporations cited positive impact of performance contracting in state corporations. Tuitoek (2008) studied performance appraisal practices among media houses and found out that performance appraisals are used to enhance performance and career progression. Biketi (2010) studied employee participation in performance management at Mumias Sugar Company and concluded that this helped spur the recently witnessed organization's economic growth. Mucai (2010) studied employee performance management process at Nairobi water and Sewerage Company limited outlining the effectiveness of the process. Nginyo (2010) studied employee performance management practices among insurance companies in Kenya.

Amimo (2003) in his study on the knowledge of performance management in the Kenyan context expressed the existence of little knowledge about performance management in the Kenyan situation and called for more studies in this discipline. For this reason this paper seeks to fill this gap. This research project will look at employee performance management practices in East Africa Breweries Limited Kenya. In the literature search done in Kenya no research has been conducted on employee performance management practices in East Africa Breweries Limited Kenya. Specifically, this research intends to make its contribution to performance management by taking a look at the employee performance management practices in East Africa Breweries Limited Kenya.

### **1.3 Objective of the Study**

The objective of the study is to determine employee performance management practices in East Africa Breweries Limited Kenya.

### **1.4 Value of the Study**

The study will be of use to management in the industry by encouraging them to embrace employee performance management practices to increase competitiveness. The management will be able to know which practices would need to be implemented to achieve competitiveness in a rapidly growing environment.

The study will also be useful to the stakeholders who will be able to identify a growing organization as a result of good employee performance management practices. This will ensure that they invest in an organization whose performance is promising as a result of proper implementation of employee performance management practices.

The study will also add value to the research in the area of employee performance management practices. Scholars and academicians will find it important as it will increase to the body of knowledge in this area. It can also assist the researchers in undertaking further studies on the same.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter presents literature review on what has been published by various scholars in regard to employee performance management, employee performance management practices incorporating the performance management cycle which includes; employee performance planning, measurement, review and rating, training and development, career management and reward management.

#### **2.1 Employee Performance Management**

According to Armstrong and Baron (2006), when people (individuals and teams) in organizations know and understand what is expected of them, and have taken part in forming these expectations, they will use their best endeavors to meet them. They further equip that, the capacity to meet expectations depends on the levels of capability that can be achieved by individuals and teams, the level of support they are given by management, and the processes, systems and resources made available to them by the organization. These imply that the basic aims of performance management are to share understanding about what is to be achieved, to develop the capacity of people and the organization to achieve it and to provide the support and guidance individuals and teams need to improve their performance. Simon (2007) presented a quantitative case study of a large financial services organization and explored the possible links among human resource and individual and business unit on levels of performance management. Performance management exists to establish a culture in which individuals take responsibility for the continuous improvements of the business processes and of their own skills and contributions. It is about sharing expectations. Managers can clarify their expectations of what they want individual team members and their teams as a whole to do, and individuals and groups can communicate their expectations of what they should be able to do, how they should be managed, the support and resources they need and how their talent should be used. The aim is to achieve consensus because, as Fletcher (1993) put it,

‘Our perceptions of what is real and valid in the world depend on a consensus of shared beliefs.’

Employee performance management is very much concerned with interrelationships i.e. between managers and individuals, between managers and teams, between members of teams and between individuals and groups and other stakeholders. These relationships are reciprocal, and performance management aims to improve their quality. Lockett (1992) believes that performance management should focus on two objectives: ensuring that people are motivated to perform effectively to the boundaries of their abilities and stretching these boundaries through an effective program of personal development. Egan (1995) suggests that: Most employees want direction, freedom to get their work done, and encouragement, not control. The performance management system should be a control system only by exception. The solution is to make it a collaborative development system in two ways. First, the entire employee performance management process – coaching, counseling, feedback, tracking, recognition and so forth - should encourage development. Ideally, team members grow and develop through these interactions. Second, when managers and team members ask what they need (in order) to be able to do bigger and better things, they move to strategic development. The message from the company should be: ‘We are not only going to help you develop in order to do a great job in meeting today’s needs. We are going to tie your development to the company’s development’. Daniels (1987) takes a somewhat instrumental view: ‘performance management is a way of getting people to do what you want them to do and like doing it’.

Employee performance management can help organizations to: set objectives for employees over the coming year, review employees’ performance against objectives and agree plans for improvements the following year, pay employees for good performance, develop employees for future roles to aid succession-planning and individual career aspirations and collect information on gaps in skills and training needs. Employee performance management is vital in view of the emergence of globalization, liberalization, technological and market changes. It forms the backbone of human resource management for any organization intent on producing high caliber performance and leverage on its human capital. Its efforts in organizations should be distinctly



integrated to every aspect of HRM activity vertically, horizontally and laterally in order to deliver significant positive business outcomes (Kandula, 2006).

Indeed, in any organization there will be some good managers for whom adopting the employee performance management process is just 'doing what comes naturally'. They can be invaluable as champions, developers and coaches. But there may be many more that need encouragement, support and guidance that can be provided by a well defined framework for managing performance, especially if they have taken part in its development. Performance management provides structures built around the natural planning, monitoring and reviewing processes of management. Generally, people like to have some structures within which they can operate, as long as the structure is appropriate and does not constrain them unduly. And they need to appreciate how they can use the processes to their advantage as well as to that of the organization by performing better themselves or by helping others to perform better. Performance management also provides the impetus for planned and systematic learning activities and events that might otherwise be lacking. Finally, the skills developed and nurtured by employee performance management are ones everybody can use to their own benefit as well as to those of others. The one proviso is that, performance management should not be imposed as a rigid monolithic system that everyone has to operate exactly as and when they are told. A reasonable degree of scope should be allowed for individual's flexibility according to their needs (Armstrong and Baron, 2006).

## **2.2 Employee Performance Management Practices**

In most organizations, the concepts of vision, mission, values, strategy and organizational objectives and goals form the foundation on which prudent management and operations are anchored. In essence, organizations can only remain competitive, achieve strategic objectives and provide shareholders' returns on investment only when they employ strategies that can convert these concepts into a reality. Employee performance management practices assume that the important corporate issue of vision, mission and setting of corporate goals have been addressed and resolved. It assumes that the objectives for the sub-sections of the organization (the departments, divisions or business units) have been set within the key results areas, and that senior management group has

identified just where the competitive advantage and value added dimensions of the business lie. It further assumes that all of this has been communicated to and understood by all those involved (Ainsworth and Smith, 1993). Employee performance management practices support a company's or organization's overall business goals by linking the work of each individual employee or manager to the overall mission of the work unit (Costello, 1994).

Employee performance management practices in an organization are regarded as a number of interlinked processes rather than a single system. As stated by Hartle (1995), performance management practices 'should be integrated into the way the performance of the business is managed and it should link with other key processes such as business strategy, employee development, and total quality management'. Employee performance management practices should be seen as a continuous process, not a once-a-year event. Managers should be encouraged to meet more regularly with their staff and attempt to embed a performance philosophy into the manager subordinate relationship. In employee performance management practices there is increasing emphasis on inputs (competence) as well as outputs (achievements of objectives). The focus is on development rather than pay. There's a shift towards line managers' accepting and owning employee performance management practices as a natural process. It involves the rejection of bureaucracy. According to Pulakos (2009), when employee performance management practices are enthusiastically and readily adopted without considering content, specifically whether the infrastructure and support for successful implementation, the organization might miss what it really takes to gain value and results from such practices as people always think that employee performance management practices is a straight forward and easy to implement practice.

Armstrong and Baron (2006) emphasizes that there is no one right way of employee performance management practices. They say that this must be tailored to the circumstances and needs of the organization under consideration, and it must be operated flexibly in accordance with the needs of the individuals affected by it. Many organizations and their human resource managers have realized that high employee performance management practices are just as equal to high employee performance

(Kandula, 2003). The job of the human resource manager therefore involves choosing the right mix of high employee performance management practices which according to Kandula entails; leadership and support from top level management, strategic planning, continuous development of employees, focus on customers, focus on quality and developing measures of progress. Torrington and Hall (1995) indicates performance management practices to include; determining performance expectations, supporting performance, reviewing and appraising performance and managing performance standards. Dessler (2003) includes goal setting, worker selection and placement, performance appraisal compensation, training and development and career management.

The employee performance management cycle includes; employee performance planning, employee performance measurement, review and rating, training and development, career development, and reward management.

### **2.2.1 Employee Performance Planning**

Performance planning is widely advocated and typically happens once a year as part of a joint discussion between job holder and manager. According to Moores (1994), this is commonly seen as the means by which individual goals and objectives are aligned with organizational goals. For example, Hewlett-Packard individuals have to achieve key job relevant results, with these key result areas being related to the overall business objectives: these are expressed in a performance plan. In keeping with today's interest in business processes, many advocate that individual goals must be consistent not just with departmental or functional goals, but also with process goals. To the extent that processes may be seen in horizontal terms in organizations, this then implies both horizontal and vertical integration of goals (Rummler and Brache, 1995). The performance planning is primarily what individuals need to do and know to improve their performance and develop their skill and competencies, and how their managers can provide support and guidance they need (Armstrong and Baron, 2006). The performance aspect of the plan obtains agreement on what has to be done to achieve objectives, raise standards and improve on performance. It also establishes priorities – the key aspects of the job to which attention have to be given. Agreement is also reached at this stage on basis upon which performance will be measured and the evidence that will be used to establish levels

of competence. It is important that these measures and evidence requirements should be identified and fully agreed now, because they will be used jointly by managers and individuals and collectively by teams to monitor progress and demonstrate achievements adds Armstrong and Baron.

The performance requirements in performance contract are for the whole job and not just selected parts of it (Lockett, 1992). According to Spangenberg (1994), goals for key processes linked to organizational and customer needs are set jointly by managers and subordinates. These involves team mission, goals, values and defined performance strategies. It is also important to incorporate individual goals, responsibilities and work planning aligned with process/function goals at this juncture. Participation by employees in goal setting convinces them that they are achievable and can increase motivation and performance, (Cummings and Worley, 2005). For individuals, this stage includes the preparation and agreement of personal development plan (PDP). This provides an action plan for individuals with the support of their managers and the organization. It may include formal training but, more importantly, it will incorporate a wider set of development activities such as self-managed learning, coaching, project work, job enlargement and enrichment, an element of self-assessment by the individual. If multi-source assessment (360-degree feedback) is practiced in the organization, this will be used to discuss development needs.

### **2.2.2 Performance Measurement, Review and Rating**

Perhaps one of the most important concepts of performance management, and it bears frequent repetition, is that it is a continuous process of managing and developing performance standards which reflects normal good practices of direction-setting, measurement and review. Performance measurement includes gathering information about work activities and external conditions affecting the work, checking on the progress and quality of work, evaluating the performance of individuals and organizational unit, analyzing trends, and forecasting external events (Yukl, 1994).

Formal review meetings between managers and individuals, or team leaders and their teams, may be held annually, but may also take place more frequently – twice a year or

even quarterly – in fast moving environments. It should be a joint affair – both parties are involved. They provide an occasion for structured feedback and reflection. The review conversation will concentrate on analysis and review of the significant points emerging from the period under consideration. According to Armstrong (2006), measurement is an important concept in performance review as it identifies where things are going well and where corrective actions are needed. In a sense, the review is partly a stock-taking exercise answering the questions ‘Where have we got to?’ and ‘How did we get here?’ But there’s more to it than that. It is not just an historical exercise dwelling on the past and conducting post mortems. The true purpose of the review is to look forward to what needs to be done by people to achieve the overall purpose of their jobs, to meet new challenges, to make even better use of their skills, knowledge and abilities and to develop their skills and competencies to further their career and increase their employability, within and outside the organization. The role of managers during the meetings is to provide constructive feedback but to listen to what individuals have to say about their performance and their development needs. Managers are not there to sit in judgment. They are to coach not criticize. As Chris Bones (1996) says, they have ‘to move from critical parent to development coach’.

Most performance management schemes include some form of rating, which is usually carried out during or after performance review meeting. The rating indicates the quality of performance or competence achieved or displayed by an employee by selecting the level on a scale that mostly corresponds with the view of the assessor on how well the individual has been doing (Armstrong, 2009). Cummings and Worley (2005) state that performance reviews represent an important link between goal setting and reward system. A rating scale is supposed to assist in making judgments and it enables those judgments to be categorized to inform performance or contribution pay decisions. Foot (2008) states that different techniques will be used in the evaluation and assessment of existing levels of performance. Individuals should be encouraged to assess their own performance and become active agents for change in improving their results. In addition they may be assessed against their set objectives by employing personal development reviews, performance appraisal interview, or perhaps even reports of errors or complaints. Managers on the other hand should be encouraged to adopt their proper enabling role;

Coaching and providing support and guidance. For teams and/or departments, the information required may involve comparison with team or departmental targets or summary of faults or complaints for that department. Performance ratings have their share of problems in which ratings may be largely subjective and it is difficult to achieve consistency between the ratings given by different managers. Other problems may include; lack of clarity of their purpose, matching pay to performance which would always put a blocker to free and open discussion of performance problems or areas requiring improvements.

### **2.2.3 Training and Development**

Training and development has been proven to have an impact on the overall improvement of organizational workforce competence, creating not only competitive edge but also success. Training and development activities are also a means for the employer to address employee's needs. According to Jackson (2008), employers help employees develop their own competitive advantage and ensure longer term employability by offering training and development opportunities to them. Training needs exist when there is a gap between current job performance or potential performance on one hand and desired performance on the other hand (Miner, 1995). Training should be curtailed and specific to the requirements and needs of the organization as it should help the workforce perform better in line with the organization's vision, mission, overall strategies, philosophies and culture of the entire firm. Organizations are currently moving from training and development to learning and development in order to remain competitive and develop and nurture the knowledge of workers as fully as possible (Foot, 2008). Comparison between training and learning is such that, training is a more specific approach to issues with a top down instructor approach whereas learning is a much more flexible approach and is knowledge based where good workers become a source of competitive advantage to the organization and focuses on individual learning. Whereas the employer organizes for training to meet specific needs, learning is expressly under the individual's ownership.

Development implies that it is a continuing process and progress is achieved over time and fits also with the emphasis on lifelong learning. As people work longer, they need to continue to develop to improve their skills, knowledge or competences. Organizations

therefore have a role to play in creating sustainable environment in which learning and development can occur as they can clearly benefit from the learning and knowledge of their workforce. Training and development processes are concerned with influencing people to contribute more to the organization. Training should be applicable to performance in a current or anticipated job, (Miner, 1995). Jackson (2008) reiterates this fact by indicating that there is need to support the transfer of the new behavior to the jobs after training and development experiences. The use of goals and reinforces can improve performance following training. Graham (1995) defines management development as a systematic process of development of effective managers at all levels to meet the requirements of an organization, involving an analysis of the present and future management requirements, assessing the existing and potential skills of managers and devising the best means for developing to meet these requirements. Management development is most effective when it is incorporated directly and explicitly in the corporate plan and when it is tied closely to an effective management appraisal program that serves to identify the needs for development in individuals. Miner (1995) indicates that management development initiative should therefore align performance with organizational strategy.

Armstrong (1999) argues that management development contributes to business success by helping the organization to grow the manager it requires meeting its present and future needs. It also improves managers' performance, gives them development opportunities and provides for management succession. He ends by saying that management development is a business led process that is concerned with development of individual performance and potential.

#### **2.2.4 Career Management**

Career can be conceptualized more broadly in terms of 'the individual's development in learning and work throughout life' (Collin and Watts, 1996). The responsibility of managing a career is with the individual, although the organization may play a key facilitating and supporting role. Career success is seen through the eyes of the individual, and is an individual's satisfaction with career through meeting personal career goals, while enhancing organizational performance (Walton, 1999). Torrington, Hall and Taylor

(2008) argue that good career management is likely to encourage motivation and job performance as employees can see some possible movement and progress in their work. Career management is concerned with the provision of opportunities for people to develop their abilities and their careers in order to ensure that the organization has the flow of talent it needs to satisfy their own aspirations. It is about integrating the needs of the organization with the needs of the individual. An important part of career management is career planning, which shapes the progression of individuals within an organization in accordance with assessments of organizational needs, defined employee success profiles and the performance, potential and preferences of individual members of the enterprise. Career management is also concerned with career counseling to help people develop their careers to their advantage as well as that of the organization. Career management also consists of management succession. Management succession ensures that the organizations have the manager they require to meet future business needs (Armstrong, 1999). Miner (1995) indicates that career planning is undertaken by an individual to be aware of opportunities that exist, of constraints on the availability of those opportunities, of choices that need to be made, and of consequences that can be anticipated. Career related goals are established and developmental experiences are identified in order to reach these goals.

Career management should be based on an understanding of career dynamics. This is concerned with how careers progress-the ways in which people move through their careers either upwards when they are promoted, or by enlarging or enriching their roles to take even greater responsibilities or make more use of their skills and abilities. Armstrong (2009) summarizes career planning as a key process in career management which utilizes all the information provided by the organization's assessments of requirements, the assessments of performance and potential and the management succession plans, and translates it in the form of individual career development programs and general arrangements for management, career counseling, mentoring and management training.

### **2.2.5 Reward Management**

Reward can be regarded as the fundamental expression of the employment relationship (Armstrong, 2009). Reward management is concerned with the formulation and



implementation of strategies and policies in order to reward people fairly, equitably and consistently in accordance with their value to the organization. Performance related pay according to Jackson (2008) recognizes that people working in the same job can differ greatly in terms of value that they contribute to the organization. It signals that the employer is interested in employees who are good performers. However, various writers have given a divergent view on linking performance with pay. Cannell and Wood (1992), for example, found six main reasons amongst UK organizations and these include: problems with incremental systems, reward and motivation, promotion of cultural and organizational change, improving communication, improving recruitment and retention and individualizing industrial relations. Fletcher and Williams (1992) concluded that, it is not hard to draw the conclusion that performance related pay (PRP) schemes are more concerned with managing the pay bill than with managing employee motivation or performance. The former is, of course, a legitimate purpose but schemes typically were not presented with this as their ostensible function. Heneman (1992) reports that a number of studies have shown a performance ratings and changes in pay, that is, higher performance ratings are associated with higher increases in merit pay. Armstrong and Baron (1998) indicates that staff almost universally detests the link of performance to pay. Bevan and Thompson (1998) states that some organizations were more likely than others to have merit or performance related pay while others regretted such inclusion. Torrington (2005) cites other forms of reward that are more satisfying other than monetary such as job promotion and development for good performance. According to Williams (2000), reward seems to work best to motivate and direct when the recipient appreciates why they are being offered. He further argues that rewards should be used to re in force the right things in the employees since it is important to be rewarded.

Jackson (2008) argues that total compensation practices incorporates organization's recruitment and selection efforts providing pay that is sufficient to attract the right people at the right time for the right jobs to keep them motivated to perform their jobs to the best of their abilities. Duncan Brown (2001) emphasizes, the 'alignment of organization's reward practices with employee values and needs is every bit as important as alignment with business goals, and critical to the realization of the latter'. Operate fairly since people feel they are treated justly in accordance with what is due to them because of their

value to the organization (the 'felt-fair' principle of Eliot Jaques (1961). Organizational rewards are powerful incentives for improving employee and workgroup performance (Cummings and Worley, 2005). Reward systems interventions are used to motivate people to obtain their commitment, engagement and to elicit a desired level of performance. Objectives and needs of the firm's strategy should be aligned with the actions and objectives of individual's reward system.

Both financial incentives and intrinsic non financial rewards such as flexibility and job autonomy are important reward mechanisms because they encourage both managerial successes when they are directly linked to specific activities and results and are important managerial motivators. Pearce and Robinson (2007) argue that, negative sanctions such as withholding of financial and intrinsic rewards for poor performance are necessary to encourage manager's efforts. Organizations with poor alignment between pay related practices and performance measurements results in employees feeling unmotivated while others result in unscrupulous, unethical and illegal behavior. The mixed scenarios may appear to be formidable, but the fact remains that in many organizations, performance related reward has more advantages than disadvantages. Perhaps the most compelling reason for taking this view is that it is equitable to give greater rewards to people who perform well than those who perform badly. Roberts (1992) asserts that performance management is often linked with performance related pay (PRP), although by no means all organizations claiming to use performance management have PRP. Nevertheless, PRP is an important element in many performance management schemes because it is believed to motivate: it is said to deliver the message that performance and competence are important, and it is thought to be fair to reward people according to their performance, contribution or competence.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0. Introduction**

This Chapter covers the research design, data collection and data analysis.

#### **3.1 Research Design**

The research design is the arrangements of conditions of collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in the procedure (Orodho, 2002). The research was conducted through a case study. A case study method is a very popular form of qualitative analysis and involves a careful and complete observation of a social unit, be that unit a person, a family, an institution, a cultural group or even the entire community (Kothari, 2004).

The researcher found a case study suitable for achieving the study objective. This type of a research design would reveal to the researcher the various employee performance management practices used in East Africa Breweries Limited Kenya.

#### **3.2 Data collection**

Primary data was collected using a structured interview guide involving the use of a set of predetermined questions and of highly standardized techniques of recording. The questionnaire was divided into Part 1 and Part 2. Part 1 captured company bio and part 2 addressed the objectives of the research. The respondents were 5 heads of departments namely; Packaging, Quality, Brewing, Engineering and Human Resources because they were in a better position to know more about the employee performance management practices applied in the organization. The researcher booked a formal personal interview appointment with the concerned persons for the collection of data. Personal interviews were found to be flexible and gave the researcher greater control over the interviewing situation, ensuring high response rate and helping him collect supplementary information

as well as pick non-verbal cues from the respondent through observation (Nachimas and Nachimas, 1996).

### **3.3 Data Analysis**

Data collected was of a qualitative nature. The first step was that of organizing of this data from interview transcripts and observation notes. Thereafter the data was analyzed using content analysis to analyze the findings from the interview guide. Content analysis is the systematic qualitative description of the composition of the objects or materials of the study i.e. content analysis involves observation and detailed description of objects, items, or things that comprise the sample (Mugenda and Mugenda, 2003). These include deciding on the unit of analysis, sampling the content to be analyzed, coding-logical groupings of data, data analysis and compiling results and interpretations. These were used to assess the Employee Performance Management Practices as used in East Africa Breweries Kenya Limited.

The data was analyzed and evaluated to determine the adequacy, usefulness and consistency. The researcher then quantified and analyzed the meaning and relationships of words and concepts. Inferences from the important concepts were made and compiled. Content analysis has successfully been used to conduct qualitative studies in the past as in Hinga (2007), Thiga (199) among many others.

## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSIONS**

#### **4.0 Introduction**

This chapter represents the analysis of the interviews findings collected by the researcher. Five managers drawn from the departments of Packaging, Quality, Brewing, Engineering and Human Resource respectively were interviewed by the researcher as per the interview guide. The chapter gives the general information of the five respondents, followed by a discussion of their responses to the questions asked by the researcher in line with the research objective. Lastly, there is a discussion on how the current study compare with those of other similar studies.

#### **4.1 General Information**

This section presents the results of the analysis on the demographic characteristics of the respondents in terms of their current position, department they work, duration for which they have held that position and the number of employees in their department. The demographics are important in establishing the quality of the answers given by the respondents. The five respondents interviewed were drawn from different departments namely; Packaging, Quality, Brewing, Engineering and Human Resources. The aim of getting respondents from all departments in the division was very crucial so as to depict the various employee performance management practices in the organization. All the respondents are senior managers in the organization. These are managers with a number of other managers working and reporting to them. The aim of interviewing from this level was to ensure that the answers given were of high quality and reliable. The duration that the managers had held the position and the number of employees in the department he/she headed was important as it depicted the experience of the respondent. All the respondents have worked for between 5-30 years in the organization in various positions before currently heading their various departments and as such are well versed with the employee performance management practices in East Africa Breweries Limited Kenya. Head of Packaging has led the department for 6 years, head of quality for 9 years, head of

brewing 8 years, head of engineering for 12 years and head of human resources for 5 years.

## **4.2 Employee Performance Management Practices**

The respondents were asked to give a brief overview of employee performance management practices as used by East Africa Breweries Limited Kenya. They all indicated that one of East Africa Breweries Limited Kenya's capabilities and leadership standards is to, manage people for success. In this regard, East African Breweries Limited Kenya has a longstanding fundamental belief that by releasing the potential of every employee it will achieve greater business performance. This underpins the philosophy of its people's processes and particularly performance for growth that is, Know me, Focus Me, Value Me as a performance management tool. The people manager tool is central to bringing the essence of performance management to life, acting on this belief. This is implemented at the beginning of every financial year of the organization. It should be noted that the organization has two cadres of employees. These are management and union staff. The employee performance management practices apply to management staff only. It involves performance planning and goal settings at the beginning of a given financial year, review, measurement, rating and reward, career management and development, training and development. The union staffs are not on this arrangement as they have a collective bargaining agreement document signed off between themselves and the management outlining their performance commitments to the organization.

All the interviewed respondents acknowledged that the employee performance management practices are aligned to the organizations vision, mission, and values. The organization's vision and mission is to be the most celebrated total adult beverages company in east and central Africa by the year 2017. East Africa Breweries Limited Kenya espouses the values of; proud of what it does, being the best, valuing each other, giving its employees the freedom to succeed which is very key in solidifying employee performance management practices in their endeavors and being passionate about its customers and consumers. The vision, mission and values can only be realized by having an elaborate and working strategic plan covering all staff in the entire business. There are various divisions within the business. These include; human resource, sales, marketing,

supply, legal, procurement, strategy and finance. The human resource department has various managements systems in place. Key one is the employee performance management practices which is developed and aligned to the organization's vision, mission and values.

All the interviewed respondents explained that the overall employee performance management practices is formulated by the business's top leadership comprising the board of directors under the guidance of the human resource director. Once these have been signed off, they are then cascaded down to the respective divisional heads who then refines them as per their roles and generates a divisional employee performance management practices applicable to employees working in that division. The divisional heads are directors and they have departmental heads as their direct reports. The departmental heads then pick what is relevant to their departments and cascades these down to individual employees through a very rigorous two way engagement between the line managers and the relevant employees. These engagements happen at the beginning of every financial year of the organization. It is based on these structured engagements between the various stakeholders that the various employee performance management practices come to life.

#### **4.2.1 Employee Performance Planning**

The interviewees were asked to explain their performance planning process. They explained that once they have discussed their department's requirements with their line manager who is their division director, then they cascade this to their direct reports who happens to be line managers who then engages employees who reports into them. This exercise is done yearly at the beginning of the organization's financial year commencing July of every year. They explained that the performance goals are set between the relevant line manager and his/her direct reports. This is so because; it is the line manager who is in a better position to understand the performance capabilities of the employees who directly report into him/her. This happens in the form of a discussion between the relevant line manager and his/her direct reports and captured through a formal document giving the details of the employee in question, the employees career aspirations in regard to personal and business requirements, performance commitments in the year under

review with very clear outcomes during and at the end of the period, employees growth agenda detailing the areas of strength and development areas, performance tracking during the year and finally mid and end year conversations, review, rating and resultant rewards.

The interviewees indicated that performance expectations in the organization are communicated very clearly. Both the e-mails and a one-on-one form of communication are used. This is a participative process since all concerned employees are involved in the performance planning process. It is in the performance planning discussion sessions that the line manager and clearly outlines to his/her reports what is the business's expectations and that of the employee and then the discussion is formalized through a performance for growth document as countersigned off by both parties signifying an agreement.

#### **4.2.2 Employee Performance Review**

The respondents were interviewed on the issue of employee performance review and they gave a feedback that once the performance plans and goals setting process has been formalized, the review becomes a live engagement. The employees from this point onwards are given the freedom to succeed as per the business's values and are therefore accorded an open door policy of engaging and interacting with their line managers on a constant mode in so far as their performance is concerned. There is however two formal review sessions held during mid year and at the end of the full year. During the mid year review, the line manager and his/her reports formally have a sitting using the signed off performance for growth goals setting document and review the performance of the employee on the outcomes commitments given during the performance goal setting period. A feedback is given to the employee by the line manager on an interim basis on areas of excellence and sustenance and also on areas for opportunities to improve performance. Full formal review comes at end of a given financial period where the employee is rated by his/her line manager.

Performance review session links goal setting and reward in the sense that during the review, the goals earlier set at the beginning of the financial year are evaluated to process check and confirm if the commitments given were achieved and if not what were the



impediments. It is also a fact that during the goal setting sessions between the line manager and direct reports, as earlier explained; very clear reward outcomes were outlined. Once the rating is done and the candidate scored for reward purposes, there is a calibration session attended by all line managers where they present and defend their rating awards to fellow peers after which once agreed upon then the human resource department issues a formal communication to the relevant employee on his/her rating and commensuration rewards.

### **4.2.3 Training and Development**

All the five respondents interviewed were in an agreement that training and development of their employees is very crucial in their respective department's effective and efficient operations. They indicated that trainings come in various forms. These are carried out after a thorough training needs analysis has been done. The training needs analysis is done on the employees using what they referred to as competency analysis programme. In this exercise, the employees are given a document having a host of questions touching on the various elements of their job. The employees together with their line managers score themselves against the ratings. These are then analyzed to inform the type and kind of training and development to be offered to the relevant employee. Once this has been completed, they are then submitted to the human resource department to plan accordingly and effect using the training and development budget for that particular financial year. The types of training and development are; Simulations, seminars, conferences, case studies, role plays, mentoring, coaching, on the job training, delegations, acting capacities, classroom work, team building sessions, root cause analyses and so forth.

There are various feedback assessments and mechanisms used to evaluate the effectiveness of the training and developments offered. These are in the form of examinations offered after the training sessions, interviews, deploying the trainees into actual roles, promotions, growth in productivity volumes, increased sales and profitability and so forth. These are carried out with the sole purpose of finding out if the trainings and developments offered are giving back value and improvements to the organization's performance.

The interviewees confirmed that top management supports the idea of training and development through various initiatives. These include and not limited to; allocating through a budget a substantial amount of money to individual departments for training purposes, having a company blueprint whereby all relevant trainings are rolled out to senior leadership before or together with junior employees before being cascaded to other employees, gracing training occasions and speaking on the topic relevant to the training agendas in place, mentoring and coaching employees on training among other things done to support training agenda. Personal development is encouraged by the organization. This is clearly captured in the performance for growth document whereby it is clearly outlined what plans the employee has in form of growing self. Also there is an online training academy for all employees where one can develop him/her self.

#### **4.2.4 Career Management**

All the five respondents agreed that the organization has a strong career management structure in place. They however quipped that it can only be effective if the individuals also played their role in actualizing the process. The business has a career management process in two ways. For fresh college graduates, they are absorbed into the business as management trainees and subjected to a three year training program detailing their career growth path. This is a rigorous process whereby the recruits undergo a three year intensive training in the operations of the business learning the intricacies of how the organization is run. During this period a clear career growth path is mapped with the students seconded to key business leaders as their mentors who constantly appraise and monitor their progress during the training period and upon graduation, the individual is expected to grow into a strong business leader following his/her earlier defined career path. For those who join the business in other positions a clear career path is defined as discussed and aligned between the line manager and the employee on the desired career path during employee performance appraisal sessions. During these engagements, a clear roadmap is discussed and agreed upon detailing the career path of the said employee.

Succession planning is also another key career management process that the organization employs. The business having realized that at one point or the other some positions will fall vacant due to employees retiring, leaving the business due to one reason or another,

has gone ahead to ensure that it mitigates against such occurrences. In this regard, managers must mentor and develop at least one possible successor in their areas/jurisdiction. This is one of the key commitments signed off during performance appraisal.

On the question of linking of performance to career development, the managers argue that this has been very successful in the business be it for the management trainees or for other managers. Once the management trainees graduate, they are deployed to the real operations of the business and it impressive to note that most managers within the business have undergone the program. For others equally impressive performance results have been realized.

#### **4.2.5 Reward Management**

The respondents explained that the organization has a good reward management system in place. During the performance planning process, the employee in a joint discussion with his/her line manager is made aware of what the reward will look like as per various levels of performance ratings scored at the end of the financial year. The reward management objectives are so detailed and available to all employees. At the start of every financial year, the human resource management department organizes a seminar for all employees where the outlook for the year in terms of reward is clearly brought to the attention of all employees.

The ratings that inform the eventual reward fall into four categories namely; below expectations performance rating where the employee has not delivered the majority of outcomes agreed (<80%). Has delivered most of the outcomes agreed (81-95%) but has not consistently demonstrated key behaviours and leadership capabilities within the leadership standard capabilities required to deliver those outcomes per the organizations values and ways of working, mostly meets expectations where the employee has delivered most of the outcomes agreed (81-95%) and has consistently demonstrated the behaviours and characteristics within the leadership standard and capabilities required to deliver those outcomes per our values and ways of working, has delivered all of the outcomes agreed (100%) and may have over achieved in some areas but is not

consistently demonstrating the behaviours and capabilities within the leadership standard and capabilities required to deliver those outcomes as per the organization's values and ways of working, fully meets expectations where the employee has delivered all of the outcomes agreed (100%) and may have overachieved in some areas, and has consistently demonstrated the behaviours and characteristics within the leadership Standard and capabilities required to deliver those outcomes per organizations values and ways of working and lastly exceeds expectations where the employee has over delivered most of the outcomes agreed or has produced extraordinary results for the business, and has consistently demonstrated or exceeded the behaviours and characteristics within the leadership standard and capabilities required to deliver those outcomes per our values and ways of working. From the above it is clearly outlined what the incentives will look like when you fall into whichever rating category.

The interviewees strongly indicated that the organization is geared towards ensuring that all employees score good rating results. If for one reason or the other an employee is rated below expectations two financial years in a row then he/she is put on a performance improvement plan whereby the line manager personally monitors and evaluates the performance of the employee on a day to day basis with an ultimate outcome of reversing the poor performance trend. If the employee cannot improve then the business is left with no choice but to part ways with the non performing employee.

The interviewees indicated that the organization uses performance related pay system, merit pay system, fixed pay system and commissions at almost the same level. The organization is keen to motivate high performing employees by ensuring that they are retained in the business so as to continue excelling. In addition lump sum bonus pay outs are given to employees as per their performance ratings discussed above. The employees are also promoted to higher grades if they consistently perform well meaning that even their pays grow.

### **4.3 Discussions**

The above findings were consistent with the findings of similar earlier studies. They are consistent with Njagi (2003) who in his study on performance principles in the banking sector concluded that firms needed to embrace performance management principles as

part and parcel of their management systems due to the competition in the global economy. The findings are coherent with Korir (2006) who cited positive impact of performance contracting in state corporations. The studies were consistent with Tuitoek (2008) who in his studies on performance appraisals practices among media houses had concluded that performance appraisals were used to enhance performance and career progression. In this study, performance planning and goal setting is the foundation on which a successful employee performance management practices is built. Under this practice, both the manager and the employee engage each other in an interactive and an all inclusive process of setting the goals to be achieved in a given period in line with the organization's mission, vision, values and strategy.

Performance review, measurement and rating are continuous interactive processes between the employee and his/her manager throughout the year. It is under this practice that the manager and the employee constantly engages to find out how the employee is fairing on in line with the earlier set performance commitments. Feedbacks and corrective actions are discussed and agreed and finally the performance is rated at the end of the stipulated period. Training and development is also another key practice entailing the management of training and development in the organization. Key to this is the use of training needs analysis to arrive at the organization's various training and development requirements. Under this practice are also the various methods of training and developments employed and assessments conducted to verify effectiveness of the trainings.

Career and Reward management forms the last parts of the employee performance management practices cycle. Career management is concerned with how the employees progress in terms of their career within the organization. Reward management is concerned with the modalities in place outlining and stipulating how and what employees will be rewarded with subject to the various ratings and scores achieved.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

#### **5.0 Introduction**

This chapter summarises the findings of the study, discusses the conclusions drawn in line with the objective of the study. Despite all efforts to minimise errors, it is inevitable that all studies suffer limitations, and this chapter discusses the limitations that the researcher experienced while carrying out the study and the inherent limitations of the study design. It further suggests areas for further study and outlines recommendations for improving the implementation of employee performance management practices.

#### **5.1 Summary of Findings**

This chapter presents the summary of major research findings. The finding results suggest implementation of employee performance management practice is partial since not all staff is subject to it. Only management cadre staffs are involved. Union staffs are not involved as they have a collective bargaining arrangement in place.

In the setting of performance goals, the findings indicated that managers and employees are fully involved. This implies that the performance goal setting in East African Breweries Limited Kenya is an all inclusive participatory process thereby depicting a major strength. On the link between performance reviews, measurement, rating and reward, the study found that majority of the respondents were of the opinion that performance reviews in the organization represent a link between goal setting and rewards. This demonstrates a strong interrelationship of goal setting, performance review, measurement, rating and reward for the employees. The organization uses both the e-mails and verbal form of communication to communicate feedbacks on performance to employees.

On training and development, various methods like on the job training, seminars, conferences, mentoring, coaching, exchange programs just but to name a few are used in East Africa Breweries Limited Kenya. The findings established that a training needs analysis is conducted in order to come up with a decision for staff training, while training

after conducting performance appraisal was fairly used. The findings also indicated that training improved job performance thereby reinforcing the need to transfer new behaviour to the jobs after training and development undertaking and experiences. Training also presented opportunities for management development as organization groomed their employees for present and future management requirements.

The organization has a lucrative reward management system in place. This is clearly outlined at the onset with very clear detailed guidelines informing an employee on how he/she will be rewarded at the end of the performance management exercise. The reward is mostly monetary since this is through a lump sum bonus pay out at the end of the financial year. Other reward in the form of promotions to higher scales in terms of grade is also available.

The study found that the organization has heavily invested in career management. This is to guarantee business prosperity and continuity. The organization recruits young top graduates and nurtures them into dynamic and powerful business leaders. It also has a structured career management path for staff that did not undergo the management training program. What is fundamental is that for each and every employee, the career path is well defined. The organization greatly encourages upward mobility and management development as well as a personal development plan. The organization supported management succession and personal development but the overall feeling was that more needs to be done in this area. The organization uses various forms of reward. These include performance related pay; fixed pay, merit pay and commissions.

## **5.2 Conclusions of the Study**

The study explored various employee performance management practices in East African Breweries Limited Kenya identifying their relevance hence achieving its objective.

Performance goal setting is an important exercise in employee performance management practice as it is the foundation on which the entire process is built. A good progress and achievement of intended objectives is critical for this to be right first time at inception. Training and development is also an important aspect in managing performance as it enables the transfer of acquired knowledge to jobs. 'On-the-job-training' is the training method most used by this organization to conduct training for its staff. The organization

also conducts a training needs analysis to arrive at training decisions for its staff. Most departmental heads are fairly comfortable with the employee performance management practices that the organization employed.

In conclusion, while applying employee performance management practices, organizations ought to embrace all the practices holistically and integrate them well with their organizational goals and objectives if they are to remain viable and competitive. The study concludes that employees are important organizational resources and therefore should constantly be involved in the employee performance management practices and processes in order to make the whole process participatory and one that gives employees job satisfaction as they strive to achieve organizational vision, mission and values.

### **5.3 Recommendations**

Recommendations drawn from the findings according to the study are thereof presented in establishing the various employee performance management practices. The study recommends that in order for East African Breweries Limited Kenya to remain highly competitive, it should sustain integrating employee performance management practices with its organizational strategies and objectives and involve the union staff in undertaking employee performance management practices since they form a critical part of strategy and objectives implementation and as such the need for them to synergise with the organizations goals. The study recommends that other organizations should strongly embrace employee performance management practices in order to remain viable and focussed to their objectives.

### **5.4 Limitations of the Study**

There are a number of limitations that have affected the outcome of the study. The study being a case study suffered the limitations of all case studies including the fact that they do not lend themselves to numerical representation. Secondly, being a case study, the study cannot answer large number of relevant and appropriate research questions and lastly, the study is not generalizable in the conventional sense, because the sample is small and idiosyncratic, and because data is predominantly non-numerical, there is no way to establish the probability that data is representative of some larger population.



There was a limitation in terms of time factor. This limited the scope and depth of the study. Getting managers to agree on an interview date was most difficult. Some agreed but did not avail themselves for the interview and therefore the researcher had to quickly look for a replacement where it was impossible to interview a departmental head. There was also the limitation of measurement. This being a social research, beliefs and feelings used in the study of perceptions may change overtime and across different personalities. Responses may be biased or the answers may be dishonest. Despite the limitations, a lot of care was taken to reduce human error to the lowest level possible to make the study as credible as possible.

### **5.5 Suggestions for Further Research**

The study recommends that further research on the same be done on other industries so as to augment the findings of this study. This is because different industries have unique characteristics and critical success factors affecting sustainable employee performance management practices.

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# **Appendix 1**

## **Interview Guide**

### **Part 1: General Information**

1. What is your current position in the organization?
2. Which department do you work for?
3. How long have you been in that position?

### **Part 2: Employee Performance Management Practices**

#### **Introduction**

1. Please give a brief overview of employee performance management practices as used by your organization.
2. Are these practices aligned with your overall organization's Vision, Mission and Strategy?
3. Who formulates employee performance management practices in your organization

#### **Employee Performance Planning**

1. Please explain your performance planning process

2. Who sets performance goals in your organization?
  
3. How is performance expectations communicated to the employees in your organization?
  
4. In your opinion, is performance planning a participative process? Please explain your answer.

### **Employee Performance Review**

1. Please explain your employee performance review process
  
2. How often does your organization conduct performance appraisal?
  
3. Does performance review in your organization represent a link between goal setting and rewards? Please explain your answer
  
4. How is feedback on performance communicated in your organization?

### **Training and Development**

1. Please explain Training and development process as used by your organization
  
2. Does your organization use performance management systems to determine training and development needs of its employees?

3. How does your organization arrive at staff training and development decision?
4. How does your organization conduct training and development for its staff?
5. Does training and development assist in performance improvement in your organization?  
Please explain your answer
6. Does your organization encourage personal development?

### **Career Management**

1. Please explain Career management process in your organization
2. Are career management plans determined during performance appraisals?
3. In your opinion, to what extent does your organization employ career management plans?
4. Please outline the personal development programs are used in your organization?

### **Reward Management**

1. Please explain reward management process used in your organization
2. How does your organization motivate good performing staff?

3. Do reward management objectives provide information for incentives, motivation and promotion?

**Thank you for sparing your time to participate in this interview.**