

**EFFECT OF HIGH COMMITMENT WORK SYSTEMS ON EMPLOYEE
PERFORMANCE IN TEA WAREHOUSES, MOMBASA COUNTY**

BY

SUSAN LILLIAN NAMACHI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT),
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES, UNIVERSITY OF
NAIROBI**

2022

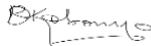
DECLARATION

This research project is my original work and has not been presented for an award in any other University for purposes of an academic award. In instances where other people's research work has been referred to, the same has been fully acknowledged.

Signed  Date 

SUSAN LILLIAN NAMACHI D33 /34564/2019

This research project has been submitted for examination with my approval as the appointed University Supervisor



Prof Peter K'Obonyo, PhD

Signature 04/11/2022

**Department of Business Administration
Faculty of Business and Management Sciences
University of Nairobi**

Signature

Professor Peter K'Obonyo
Department of Business Administration
Faculty of Business and Management Sciences

University of Nairobi

DEDICATION

I dedicate this project to my late father, Stanley Kebba Namachi, who always reminded me that education is the greatest gift to success that a parent can bestow to his children. Rest with the Angels dad. I also dedicate the same to my beloved children Barbara and Gloria from whom I gain my daily strength. To my dear mother Lucy Namachi, for believing in my zeal and commitment to excel in life.

ACKNOWLEDGEMENT

First and foremost, I am grateful to the Almighty God for giving me good health and wisdom to accomplish this milestone. I am forever grateful to my supervisor, Professor Peter K'Obonyo, for his valuable guidance and support while undertaking this research. His willingness to create time off his busy and tight schedule to provide the much needed guidance, may the Almighty, "Abba father" continue giving him the strength and pure heart of support.

Equally, I recognize the input and positive critique by moderator, Dr. Margaret Muthoni Kariuki. Your advice and comments enriched my thinking and adequately prepared me for an objective and scholarly work.

Finally, I wish to thank dearest sister Lavera, for her continuous prayers and encouragement. To all my siblings and the entire Namachi family, for creating an enabling environment for me to exploit my full potential with specific emphasis on this project.

TABLE OF CONTENTS

DECLARATION.....	ii
DEDICATION.....	2
ACKNOWLEDGEMENT.....	4
LIST OF TABLES.....	8
LIST OF FIGURES.....	9
ABBREVIATIONS AND ACRONYMS.....	10
ABSTRACT.....	11
CHAPTER ONE: INTRODUCTION.....	12
1.1 Background of the Study	12
1.1.1 High Commitment Work Systems	13
1.1.2 Employee Performance.....	15
1.1.3 Tea Warehouses in Mombasa County	15
1.2 Research Problem	16
1.3 Research Objectives.....	17
1.4 Value of the Study	18
CHAPTER TWO: LITERATURE REVIEW.....	19
2.1 Introduction.....	19
2.2 Theoretical Foundation	19
2.2.1 Resource Based Theory	19
2.2.2 Social Exchange Theory	20
2.3 High Commitment Work Systems and Employee Performance.....	20
2.4 Summary of the Literature Review and Research Gaps	22
2.6 Conceptual Framework.....	22

CHAPTER THREE: RESEARCH METHODOLOGY	24
3.1 Introduction.....	24
3.2 Research Design.....	24
3.3 Target Population.....	24
3.4 Data Collection	24
3.5 Validity of the Research Instrument	25
3.6 Reliability of the Research Instrument	25
3.7 Operationalization of Variables	25
3.8 Data Analysis	26
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION	28
4.1 Introduction.....	28
4.1.1 Response Rate.....	28
4.2 Pilot Test	28
4.2.1 Validity Results.....	28
4.2.2 Reliability Results.....	29
4.3 Demographic Information.....	30
4.4 Descriptive Data Analysis.....	31
4.5 Correlation Analysis	35
4.6 Multiple Regression Analysis	37
4.7 Discussion of Key Findings	38
CHAPTER FIVE	41
SUMMARY, CONCLUSSIONS AND RECOMMENDATIONS	41
5.1 Introduction.....	41
5.2 Summary of the Findings.....	41

5.3 Conclusions of the Study	43
5.4 Recommendations of the Study	44
5.5 Limitations of the Study.....	45
5.6 Suggestions for Further Research	45
REFERENCES.....	46
APPENDICES.....	52
Appendix I: Letter of Introduction.....	52
Appendix II: Research Questionnaire	53
Appendix III: List of Tea Warehouses in Mombasa.....	57

LIST OF TABLES

Table 3.1 Operationalization of Study Variables.....	26
Table 4.1 Validity Results.....	29
Table 4.2 Reliability Results.....	29
Table 4.3 Academic Qualification	30
Table 4.4 Respondents' Work Experience.....	31
Table 4.5 Performance Based Compensation	32
Table 4.6 Training and Development	33
Table 4.7 Performance Appraisal	34
Table 4.8 Communication.....	35
Table 4.9 Correlation Coefficient	36
Table 4.10 Overall Model Summary	37
Table 4.11 Overall ANOVA.....	37
Table 4.12 Regression Coefficients	38

LIST OF FIGURES

Figure 1: Conceptual Model	22
----------------------------------	----

ABBREVIATIONS AND ACRONYMS

EATTA:	East Africa Tea Trade Association
HLM:	Hierarchical Linear Modelling
HCWS:	High Commitment Work Systems
HPWS:	High Performance Work Systems
HR:	Human Resource
PBC:	Performance Based Compensation
RBV:	Resource Based View
SET:	Social Exchange Theory
SIP:	Social Information Processing
SPSS:	Statistical Package for Social Science
SEM:	Structure Equation Modeling
TBK	Tea Board of Kenya

ABSTRACT

High commitment work system is managerial set of activities and policies directed at enhancing employee's commitment to the organization and to their work. The system generates performance through bonding organizations with employees psychologically as well as providing a conducive environment for employee to commit themselves to the achievement of organization's objectives. Increase of tea warehouses in Mombasa has brought with it acute competition for tea storage facilities and handling sector. This has necessitated management of tea warehouses to adopt competitive strategies such as high commitment work systems to gain distinctive competence by leveraging on employee's commitment. Tea business in Mombasa has created a need for more tea warehousing facilities in the recent past accompanied by job opportunities. The purpose of the study was to determine the effect of high commitment work systems on the performance of employees in tea warehouses in Mombasa County. The specific objectives were to investigate the effect of performance based compensation, to establish the effect of training and development, to investigate the effect of performance appraisal and to assess the effect of communication on employee performance. The study was anchored on social exchange theory and resource based theory. This study used descriptive cross-sectional design. The study targeted all 17 active tea warehouses licensed by the Tea Board of Kenya. Since this number was small, a census of the tea warehouses used. The study utilized primary data which was collected from randomly selected employees of the warehouses using a semi-structured questionnaire with a five point Likert scale that were applied to all variables. Multiple regression and correlation analysis techniques were utilized. Results were presented in frequency distributions, charts and tables. The findings of the study confirmed that there is a positive association between high commitment works systems and employee performance. The regression results showed that high commitment works systems account for 89.1% of the change in employee performance and the regression coefficients results revealed that performance based pay, training & development, communication and performance appraisal had a positive and significant effect on employee performance since the p-values were less than 0.05.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

High commitment work systems aid organizations pivot towards effectiveness and realize core distinctive competence (Chen, Jiang, Tang, & Cooke, 2018). High commitment work systems (HCWS) mould positive Human Resource (HR) systems perception and social climate, and catalyze commitment with affection among employees thus unleashing innovation in the organization (Ogbonnaya & Smith, 2019). Employing high commitment work systems allows firms to evoke commitment through symbiotic relationships between employees and the organization, ensuring that employees perform better (Xiao & Bjorkman, 2016). The goals of HCWS are to help businesses achieve their objectives by emphasizing employee perks in order to increase customers' emotional attachment to and trust in the company (Chen et al., 2018). By psychologically uniting businesses and their people and by creating an environment that encourages employee dedication to reaching company goals, HCWS generates performance (Boon & Kalshoven, 2014; Oppenauer & Van De Voorde, 2018).

The theories on high commitment work systems employed in the study include social exchange theory and resource based view theory. Social exchange theory forms the main theory supporting the study and the theory posits that employees reduce their overall efforts whenever they perceive denial of the benefits which they hold dear. This perception causes employees to participate in behaviors which are unethical or participate in efforts which are involuntary to steer clear of unfavorable sanctions (Lambe, Wittmann, & Spekman, 2009). Resource based view theory argues that establishments differentiate themselves in their resources and capabilities uniqueness of bundles (Rothaermel, 2012). In the context of human resources, intangible assets are embedded with the firm's other real assets to enhance establishment's value.

Tea warehouses, just like any other organizations, develop employee commitment by adopting high-commitment work systems (Chen et al., 2018). Even though it may appear

effortless to attract the right match of talent today as compared to the period before the 2020 pandemic, tea warehouses are faced with myriad of challenges in attracting or even retaining right talent due to the recovery of other sectors, which are most sought after by employees for better opportunities (EATTA, 2021). To curb this challenge, tea warehouses need to focus their efforts towards configuration of HR practices that have the potential to value the organization's employees and develop an environment which enhances relationships and commitments towards the organization. This has the potential of instilling organizational citizenship behaviors.

1.1.1 High Commitment Work Systems

High commitment work systems is defined as a series of collaborative human resource management measures to achieve a performance improvement by stimulating employees' commitment (Ceylan, 2013). These human resource practices in which most instances signal employee commitment and aim to offer more to the employees by receiving more from them in return is known as high commitment work system (Xiao & Tsui, 2014). The measures of high commitment work systems include providing internal promotion opportunities, emphasizing individual potential selection, team performance-based compensation, participatory decision-making, and extensive training (Collins & Smith, 2006). However, the current study adopts HCWS measures of performance-based compensation, training and development, performance appraisal and communication.

Performance-based compensation forms one of the HCWS and refers to a system tasked with financial rewarding of employees beyond their regular wages and salaries. However, this reward is done to employees who have demonstrated exemplary performance both in quality and above what is required for them to perform in their job requirements (Gomez-Mejia & Balkin, 2009). The monetary award is dependent upon how well various divisions, specific personnel, or the values of the company's stocks performed over a specified time period (Gomez-Mejia & Balkin, 2009). Employees are naturally driven to concentrate more on tasks whose performance is monitored as opposed to activities that are not monitored (Chillakuri & Vanka, 2020; Detnakarin & Rurkkhum, 2019).

Another HCWS practice considered is training and development which means infinite organizational efforts to develop employees' abilities, skills, knowledge hence performance (Mondy & Martocchio, 2016). Employee training and development can help advance employees' knowledge and abilities, which is necessary for an organization to survive (Hussain, 2011). Employees can enhance their unique competences through training and development to meet not only the needs of their current jobs but also those of their next tasks, which are crucial for giving them the functional capacity link (Truss, 2001).

The systematic procedure of enhancing performance of employees through teams and individual performance is referred to as performance appraisal (PA) (Armstrong, 2009). This systematic process is adopted by organizations as a formalized system for reviewing and evaluating employees task performance which should be a continuous process (Mondy & Martocchio, 2016). If the appraisal system is to be deemed effective, it must be able to upgrade performance of employees which then contributes to their overall productivity (Ogbonnaya & Messersmith, 2019). The process of appraising employees should be a periodic undertaking so as to provide periodic information on the organizational efficiency (Lin & Liu, 2017). It should be understood that performance appraisal is not limited to gauging the actual versus expected employee performance but also serves as a job satisfaction gaining tool for employees through appraisal results which are transparent (Dessler, 2017).

Communication refers to as a process employed by the people in an organization to share messages (De Nobile & McCormick, 2008). It follows that an effectively informed employee by his/her supervisor has high potential in understanding the job expectations which translates to enhanced organizational success (Downs & Adrian, 2014). The communication process has proved to be pivotal and an essential ingredient for the organizational success with most organizations (Tourani & Rsat, 2012). When communication is effective, it offers information to employees about their job requirements and expectations hence motivating these employees to have an understanding on how they can contribute to the overall performance of the organization.

1.1.2 Employee Performance

Employee performance is defined as how an employee fulfills their job duties and executes their required tasks (Gomez-Mejia, Balkin & Cardy, 2014). It refers to the effectiveness, quality, and efficiency of their output. Performance also contributes to our assessment of how valuable an employee is to the organization (Ceylan, 2013). Abbas and Yaqoob (2009) argue that employee performance is gauged through a blend of behavioral expectations and activity-related paradigms. Performance is normally based on a value which is absolute and the relative judgment may eventually be depicted in the overall performance of an organization (Gomez- Mejia, Balkin & Cardy, 2014). Improved performance can be assured with highly committed employees who have management of the organization. At heart.

Employee performance metrics are pivotal in gauging the employee's commitment towards their assigned activities (Judge, Thoresen, Bono, & Patton, 2005). Following keenly the performance of employees can be beneficial to the employees themselves and the organization. Several metrics for measuring employee performance are available including utilization rate per employee which is the ratio of logged hours billable and employee total hours logged (Currivan, 2006). Task completion average time measures efficiency of employees hence quite practical in reality (Judge, Thoresen, Bono, & Patton, 2005). Employee activity productivity as a measure of the performance for employees adopts sales revenue as its measure by reflecting each employee's monthly generated revenue. Employee turnover is employed to measure the rate at which employees leave employment in an organization (Currivan, 2006). The current study uses product defects rate, customer retention, staff turnover rate as employee performance measurement metrics.

1.1.3 Tea Warehouses in Mombasa County

Warehouses form significant points for the supply and demand, information and products flow. Warehouses are today seen as distribution centers and not just places to store goods. Tea warehousing entrepreneurs are the core tea value chain stakeholders since they constitute largely to the distribution centers that handle the tea product just before final release to the global market (Changwony, 2012). In the recent past a surge in a number of tea warehouses in Mombasa County has been recorded (EATTA, 2021).

Tea warehouses surge in Mombasa has brought with it acute competition for tea storage facilities and handling sector necessitating the tea warehouses to adopt competitive strategies among them the high commitment work systems to gain distinctive competence by leveraging on employee's commitment (EATTA, 2021). The Tea warehouses targeted include seventeen (17) active warehouses licensed by the Tea Board of Kenya namely; Bahari (T) Company Ltd, Bryson Express Ltd, Byline Swift Services Limited, Cargill Kenya Ltd, Chai Trading Company Ltd, DHL Supply Chain Kenya Ltd, DL Koisagat Tea Estates Limited, James Finlay Limited, Ufanisi Freighters (K) Limited, Kipkebe Limited, Mitchell Cotts Freight Kenya Ltd, Tea Warehouses Limited, Pacmac Holdings Ltd, Rift Valley Tea Solutions Ltd, Bollore Transport & Logistics Kenya Limited, Signon Group Ltd, United (E.A) Warehouses Limited (EATTA, 2021).

1.2 Research Problem

Through the availability of possibilities like training and growth and the incentives offered, high commitment work systems play a vital influence in the task execution by the employees (Zhang & Morris, 2014). According to Chen, Jiang, Tang, and Cooke (2018), high commitment work methods boost employee performance. Detnakarin and Rurkkhum (2019) and Challakuri and Vanka (2020) contend that employees reciprocate dedication when they feel that the management is on their side. According to Ho and Kuvaas (2020), the systematization of HCWS might increase employee anxiety and cause them to feel exploited due to the escalation of tasks and the ensuing pressure to perform.

More tea warehouse facilities are now needed in Mombasa due to the growing tea industry, which has also led to job possibilities. Most of the research work done has not reached a consensus with regards to what comprises high commitment work systems, further, there are inconsistencies in the use of terms; high commitment work systems, high performance work systems and high involvement work systems. The majority of workers in the tea industry, according to the Ministry of Agriculture report from 2019, this sector faces a myriad of challenges ranging from employees working in hazardous workplaces with a high staff turnover rate which makes the industry expensive to operate. Despite the tea warehouses adopting a productivity-linked wage systems, the employee job output and

customer retention has remained low thus necessitating an investigation on the effect of high work commitment systems on employee performance in the tea warehouses.

Various studies on high commitment work practices have been done. Akhutar, Zhang, Rofcanin, and Zhang (2019) did a study on high-commitment work systems and the voice of employees in China. The study however presents contextual gaps by focusing on employee voice and not employee performance. Dorta-Afonso, González-de-la-Rosa, García-Rodríguez, and Romero-Domínguez (2021) did a study on high performance work systems and hospitality on employee outcomes. However, the study looked at high performance work systems and not HCWS. Wahab, Tatoglu, Glaister, and Demirbag (2021) investigated the effect of HCWS on enterprise performance. However, very scanty empirical literature about the high commitment work systems in the context of tea warehouses in Kenya exists. Thus this study sought to fill the knowledge gaps by seeking to answer the question: What is the effect of high commitment work systems on employee performance in tea warehouses Mombasa County?

1.3 Research Objectives

General Objective

To determine the effect of high commitment work systems on the performance of employees in tea warehouses, Mombasa County.

Specific Objectives

- i. To determine the effect of performance-based compensation on the performance of employees in tea warehouses, Mombasa County.
- ii. To establish the effect of training and development on the performance of employees in tea warehouses, Mombasa County.
- iii. To investigate the effect of performance appraisal on the performance of employees in tea warehouses, Mombasa County.
- iv. To assess the effect of communication on the performance of employees in tea warehouses, Mombasa County.

1.4 Value of the Study

The study findings would have practical implications on high commitment work systems application to realize enhanced employee performance. Tea warehouse managers would learn more about how high commitment work methods can boost employee happiness and productivity. The administration of tea warehouses would get some helpful knowledge regarding the significance of enhancing contentment, the necessity of adopting high commitment work systems, and how this may contribute to the welfare of employees and productivity in return.

The policy contribution of the study findings is that it would benefit policy makers by offering insights on how human resource practices can be adopted to improve employee performance in tea sector and in other sectors of the economy. It may also inform the human resource specialists on the importance of implementing the HCWS in their organization as a major tool of improving employee performance.

Theoretical contribution of the study would be on enriching the body of knowledge for future researchers and academicians by stimulating important conversations on high commitment work systems and their relationship to employee performance for further study. Academicians and scholars would use the study findings to further interrogate high commitment work systems phenomenon in warehousing industry at large. Other researchers would find an inspiration to do further study on high commitment work systems in other industries.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews relevant literature on the variables of this study. The chapter contains theories that support the study empirical review of previous studies. conceptual framework, that should identify gaps, the current study attempts to fill.

2.2 Theoretical Foundation

This part looks at the existing theories on high commitment work systems. The study is anchored on Resource Based Theory and Social Exchange Theory.

2.2.1 Resource Based Theory

Resource based theory was propounded by Wernerfelt in 1984. The Resource Based View model views resources as pivotal to superior firm performance. The notion states that organizations distinguish themselves by their distinctive competencies and resources, which frequently results in diverse performance outcomes (Barney, 2007). This suggests that businesses work to make the most of their current resources and capabilities to boost performance and to fine-tune their unique resources to stay competitive and prevent rivals from stealing their special resources and skills (Shuen, 2011).

The heterogeneity of the resources and their immobility are the foundations of resource-based theory. In a situation where resources are heterogeneous, firms can develop a competitive advantage by utilizing the disparities in firm capacities and skill sets. The firm's distinctive resources are presumptively unable to be transferred from one station to another in the short term based on the assumption that resources are immobile. Competing entities copy the resources and competencies of top companies and apply them to their environment since resources are immobile (Rothaermel, 2012). Because it is an invaluable intangible resource that can boost a company's success and worth, human capital is relevant to the study. According to the notion, investing in employee training and development will provide them the unique skills they need to add value to tea warehouses. Resource-based theory is challenged for being tautological in its notion that the synthesis of various

competencies and resources might lead to identical firm value generation and fail to achieve competitive advantage, despite its significance.

2.2.2 Social Exchange Theory

Social exchange theory was propounded in the year 1989 by George Homans. The theory holds that exchange process gives rise to social behavior. Lawler and Thye (2006) asserts that exchange process seeks to optimize on benefits and penalize costs (Lawler & Thye, 2006). This forces individuals to rationally examine the perceived benefits and potential risks when engaging in social exchanges. In the event that individuals perceive risks from social exchange to be greater than expected benefits, they opt out of that exchange (Lambe, Wittmann, & Spekman, 2009).

Social exchange theory is pivotal in explaining the relationship between HCWS and performance (De Menezes & Kelliher, 2017; Ho & Kuvaas, 2020). According to the hypothesis, when workers at a company perceive lower rewards, they work less hard on a task. In an effort to avoid reprimands, they even withdraw and even behave unethically. According to social exchange theory, employees who perceive HCWS as a sincere corporation that values them will put up the same efforts to help the organization achieve its objectives (Iverson & Zatzick, 2007). According to the hypothesis, which is relevant to the study, employees are more likely to put effort into a task when they are appropriately compensated for it, which increases employee production. However, the theory is criticized for lacking adequate theoretical precision leading to constrains in its utility. The theory is accused of shortness in addressing altruism or selflessness of employees.

2.3 High Commitment Work Systems and Employee Performance

The relationship between high commitment work systems and employee performance has been widely researched. Several empirical studies done on the subject have established a positive correlation between the HCWS and employee performance. For instance, Li, Khan, Kusi and Murad (2019) did a study on high-performance work system and its effect on the performance of employees in Pakistan. The study used quantitative information gathered through surveying. The textile industry served as the study's setting, and stratified sampling was the chosen sampling method. The results showed that there was a substantial

correlation between HCWS and employee performance when the researcher used partial least squares-structural equation modeling. This study was conducted in a different setting, namely the textile industry, which is very dissimilar from tea warehouses.

Maung (2020) carried a study on the extent of job satisfaction of employees as a result of high performance work systems. Specifically, the study analyzed the effect of training, performance appraisal, communication and job satisfaction. The study focused on Myanmar's banking institutions. A systematic questionnaire was used to gather primary data. Data were analyzed using structural equation modeling, and the results revealed a substantial direct association between the research variables. However, the focus of the study was on high performance work systems, whereas high commitment work systems received very little attention.

Wahab, Tatoglu, Glaister, and Demirbag (2021) investigated the high-commitment work systems and their effect on burnout and wellbeing of employees in manufacturing firms in Malaysia. The study used descriptive survey design. Primary data obtained through the use of a questionnaire were used in the study. The results showed a strong link between high-commitment work environments and employee burnout. In contrast to employee performance in tea warehouses, the study's dependent variable was company performance in industrial enterprises.

Akhutar, Zhang, Rofcanin, and Zhang (2019) did a study on the voice of employees and high-commitment work systems in the context of software design companies in China. Multilevel analysis was used in testing the hypotheses of the research by aid Hierarchical Linear Modelling (HLM) software. The findings revealed that the HCWS has a positive effect on the efficacy of employee voice. The study, however, was done in China which has different culture compared to the current study locale.

Regionally, Apeyusi (2014) did a study to investigate the relationship between rewards system and employee performance in Ethiopia. The study adopted descriptive research design and the target population was employees of commercial banks in Addis Ababa. The study revealed that more than half of the staff indicated that they are prepared to work

harder if they are given more incentives or paid better, indicating a positive relationship between reward and performance.

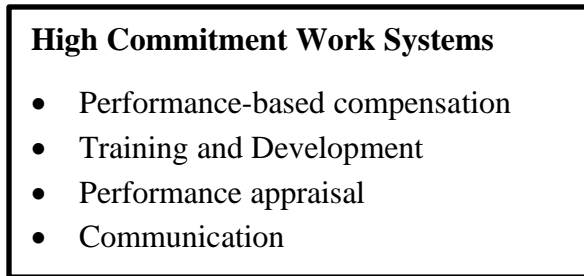
2.4 Summary of the Literature Review and Research Gaps

The chapter reviewed high commitment work systems and employee performance existing literature. However, prior reviewed relevant literature concentrated on high performance work systems in the context of work satisfaction (Maung, 2020; Li, Khan, Kusi & Murad, 2019; Dorta-Afonso, Romero-Domínguez, González-de-la-Rosa, & García-Rodríguez, 2021) and didn't consider high commitment work systems and employee performance. Again, numerous researches have endorsed the idea that high commitment work systems increase employee productivity, but the majority of these studies have not been able to provide convincing proof of the impact of high commitment work systems on employee performance. Geographically, the studies (Axel, Schulz, & Chee, 2010; Akhutar, Zhang, Rofcanin, & Zhang, 2019; Wahab, Tatoglu, Glaister, & Demirbag, 2021) were primarily focused on the South Asian region, and locally, there have been very few studies on the effects of high commitment work systems on employee performance in the context of tea warehouses. This creates a knowledge gaps which motivated the current study.

2.6 Conceptual Framework

Conceptualized predictor is high commitment work system which is operationalized by performance-based compensation, training and development, appraisal systems and communication sub-variables. The study dependent variable is employee performance as operationalized by products defects rate, customer retention and staff turnover rate. The justification for the conceptualization is that the reviewed literature has overwhelmingly shown that high commitment work system as measured by the performance-based compensation, training and development, appraisal systems and communication has a significant effect on employee performance.

Independent Variable



Dependent Variable

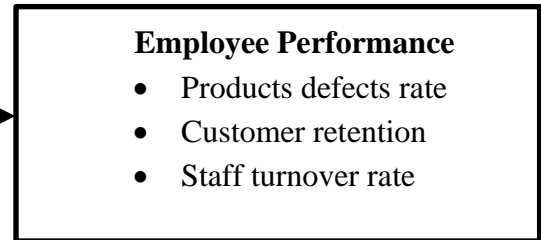


Figure 1: Conceptual Model

Source: Researcher (2022)

CHAPTER THREE:

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the procedures that were applied in conducting research. The areas covered in the chapter are the research design, population of the study, data collection, operationalization of the study variables and data analysis.

3.2 Research Design

Descriptive cross-sectional design was adopted in this investigation. A descriptive cross-sectional design gathers information and draws conclusions about a population of interest at a particular period. This design is significant because it can quickly demonstrate the current relationships between the studied variables (Kothari, 2014). High commitment work system studies have employed the research design with success (Shi & Cai, 2022).

3.3 Target Population

A population is described as the aggregate of all objects or subjects of concern which the researcher intends to generalize (Kothari, 2014). According to Tea Board of Kenya (TBK) website there are the 17 licensed active tea warehouses in Mombasa (EATTA, 2021). The study targeted all 17 active tea warehouses licensed by the Tea Board of Kenya. The unit of analysis is employees of the tea warehouses. Since this number is small, a census of all licensed active tea warehouses employees in Mombasa was used. Kothari (2014) avers that when the unit of analysis are less than 30, the census technique is the most appropriate for the study.

3.4 Data Collection

The study utilized primary data which was collected from the tea warehouses employees using, a semi- structured questionnaire with a five point Likert scale that was applied to all variables. The questionnaire was designed based on the study objectives. The Likert-scale type questionnaire had ratings of 1 to 5 signifying the range from low to high rating. Section A was about the respondent's general information. Section B contained items on high commitment work systems and Section C generated data on employee performance.

To gather information for verifying the validity and dependability of measuring scales, the researcher conducted a pilot test. Ten respondents took part in the pilot study but were left out of the final analysis. The research participants were given two weeks to complete surveys before they were collected using the "drop-and-pick-later" method of questionnaire presentation. This made data collecting easier and increased the likelihood that questionnaires would be completed. Google forms, however, were an alternative in circumstances where the organization had implemented severe Ministry of Health Guidelines (MOH) because to the Covid-19 outbreak.

3.5 Validity of the Research Instrument

Validity testing is a procedure done on research tools or instruments to determine whether the tools can measure what they are intended to measure (Creswell, 2015). If the research instrument is invalid, the study's conclusions are nullified. The study evaluated the soft and informal face validity of the questionnaire. By asking the research supervisor to review the questionnaire items and provide feedback on whether they correspond to any specific conceptual domain of the concept being studied, the researcher was able to ensure face validity. The study measured construct validity of the questionnaire by use of Kaiser-Meyer-Olkin (KMO) measures of sampling adequacy and Bartlett's test of sphericity.

3.6 Reliability of the Research Instrument

Reliability is the instrument's ability to replicate similar outcomes when subjected in varying populations, times or locations (Bryman & Bell, 2015). The researcher used Cronbach's alpha to measure questionnaire reliability. The data analyzed was based on the 10 respondents who were picked for pilot test. The coefficient of Cronbach's alpha of 70% was used as the bench mark for the item reliability.

3.7 Operationalization of Variables

Operationalizing of variables refer to how a specific variable will be defined and measured as used in the study. Operationalization is necessary as it enables other researchers to replicate the research and is essential in achieving consistency in the results (Creswell, 2015). The independent variable is high commitment work systems which are broken down into the following indicators; performance-based compensation, training & development,

performance appraisal and communication. The dependent variable is employee performance as measured by product defects rate, customer retention and staff turnover. These have been operationalized as shown in Table 3.1.

Table 3.1 Operationalization of Study Variables

Variable	Sub-variable	Indicators	Empirical Evidence
High Commitment Work Systems	Performance-based compensation	-Internal promotions -Bonus payment	Axel, Schulz, and Chee (2010)
	Training and development	-Employee orientation -On-job training	Mondy & Martocchio, (2016)
	Performance appraisal	-Timely feedback -Post-appraisal engagement	Axel, Schulz, and Chee (2010)
	Communication	-Information medium -Communication policy	Tourani & Rsat, (2012)
Employee performance		-Product defects rate -Customer retention -Staff turnover rate	Li, Khan, Kusi and Murad (2019)

Source: Researcher (2022)

3.8 Data Analysis

Analysis of data is a method of arranging, sorting and organizing data. Descriptive analysis on collected primary data was generated in the form of mean and standard deviations. Multiple regression and correlation analysis techniques were utilized. The Statistical Package for Social Sciences (SPSS version 25) tool was used. Data was depicted in frequency distribution charts. The analytical model used is shown below;

$$\hat{y} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

\hat{y} = Employee performance

β_0 = Regression intercept

β_1 - β_4 are the regression weights

X_1 = Performance-based compensation

X_2 = Training and development

X_3 = Performance appraisal

X_4 = Communication

ϵ = Error term

CHAPTER FOUR

DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents the results of the study performed to test the conceptual model and research questions. The chapter includes a descriptive analysis of the study variables and general demographic data for the respondents. The results of the statistical tests employed in the research are also presented in this chapter, along with analyses of the findings' implications.

4.1.1 Response Rate

The intended responders were given the data gathering tool. 89 of the 96 questionnaires the researcher issued were returned completely filled out. This was a response rate of 92.7%. The participants in the pilot study were not included in this calculation of the response rate. Due to the style of questionnaire administration by field assistant and the ample amount of time to complete the surveys, the return rate suggests that respondents participated with the researcher in the data collection process.

4.2 Pilot Test

To determine the reliability and internal consistency of the data gathering methods, the research carried out a pilot study. 10 people participated in the pilot study, which was the recommended 10% of the population according to Riel (2010). Respondents for the pilot study were chosen at random from tea warehouses in Mombasa County. The participants from the pilot research were not included in the analysis (Riel, 2020). The following subsections contain a presentation of the outcomes of the pilot test.

4.2.1 Validity Results

Construct and face validities of the research instrument were tested by the researcher. For face validity and construct validity, the researcher sought research supervisor's views on the suitability of measurement scales adopted in the study. Content validity was tested by Kaiser-Mayor-Oklin (KMO) and Bartlett's test of sphericity as shown in Table 4.1.

Table 4.1 Validity Results

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.			0.510
Bartlett's Test of Sphericity	Approx. Square Df	Chi-	16103.07 9
	Sig.		0.00

Source: Researcher (2022)

As shown in Table 4.1, Kaiser-Mayor-Oklin (KMO) measures of sampling adequacy and Bartlett's test of sphericity were applied to examine the degree of attributes relationship. Bartlett's test of sphericity and the Kaiser-Mayor-Oklin (KMO) measures of sampling adequacy were used to determine whether exploratory and confirmatory factor analyses were appropriate for the data analysis. Bartlett's test of sphericity showed a good KMO coefficient for the study (0.510) and a chi square value of 16103.07 and a p value of 0.00. Based on the KMO test, it is determined that there is a significant partial correlation between the study variables (how the factors explain one another).

4.2.2 Reliability Results

Reliability of the questionnaire was tested using Cronbach Alpha coefficient. This coefficient ranges from 0 to 1, and the closer it's to 1, the better the research instrument (Kothari, 2014).

Table 4.2 Reliability Results

Variables	Number of items	Cronbach's Alpha	Comments
Performance-based compensation	4	0.752	Reliable
Training & Development	4	0.811	Reliable
Performance appraisal	4	0.858	Reliable
Communication	4	0.740	Reliable
Employee Performance	4	0.739	Reliable

Source: Researcher (2022)

The reliability findings for all five theoretical constructs were presented in Table 4.2. The four questionnaire items used to measure performance-based compensation had a Cronbach's Alpha of 0.752. This suggested that the scale was accurate, the items were associated, and they all measured the same thing. Additionally, the findings demonstrated that training and development had a Cronbach's Alpha of 0.811, which was higher than the 0.7 cutoff point chosen for this study. Similar results were found for the other variables performance assessment, communication, and employee performance, which had Cronbach's Alphas above the 0.7 cutoff selected for this study at 0.858, 0.740, and 0.739, respectively. These results implied that the scale used in this study was reliable and it was adequate for data collection.

4.3 Demographic Information

Demographic statistics are characteristics of a population that can be measured (Cooper & Schindler, 2009). This includes the respondents' degree of experience and educational background. The 89 individuals who successfully completed and returned questionnaires were the basis for the findings analysis. The next subsections contain a presentation of the findings.

4.3.1 Academic Qualification of the Respondents

The study intended to establish the participants' academic qualifications. The ascertainment of the respondents' academic qualification is necessary to gauge the ability of the study participants to understand the research questions. Table 4.3 presents respondents' level of education.

Table 4.3 Academic Qualification

Academic qualification	Frequency	Percent
Certificate	41	46.1
National higher diploma	15	16.9
Degree	20	22.5
Post graduate	13	14.6
Total	89	100.0

Source: Research (2022)

According to the findings in Table 4.3, the highest level of education held by 46.1% of the respondents was a certificate, followed by degree holders at 22.5%. 16.9% of respondents had a national higher diploma level of education, while another 14.6% held a postgraduate degree. The results suggest that most respondents have the necessary expertise to respond to study questions (Creswell, 2012).

4.3.2 Experience of the Respondents

The study sought to establish the work experience of the respondents. The importance of this parameter is that the experience of the respondents will prove or disapprove the ability of the respondents to have an understanding of the Tea warehouses performance factors. The findings are presented in Table 4.4.

Table 4.4 Respondents' Work Experience

Duration	Frequency	Percent
1-5 years	4	4.5
6-10 years	18	20.2
11-15 years	43	48.3
Over 15 years	24	27.0
Totals	89	100.0

Source: Researcher (2022)

According to Table 4.4, 48.3% of respondents had experience working in tea warehouses for between 11 and 15 years, while 27.0% had more than 15 years of experience. Then, 20.2% of the respondents said they had worked in tea warehouses for six to ten years, while only 4.5% said they had worked there for fewer than five years. The findings suggest that the respondents have the knowledge and expertise necessary to comprehend employee concerns in tea warehouses, which is why they supplied thoughtful answers to the research questions (Kothari, 2014).

4.4 Descriptive Data Analysis

Descriptive analysis was conducted on the study variables to check the mean and standard deviation. The results are presented in the following sub-sections.

4.4.1 Performance Based Compensation and Performance of Employees in Tea Warehouses

The first objective of the study was to establish the effect of performance based compensation and employee performance. They were required to do this on a 5 point Likert scale where 1 represented “Strongly disagree” while 5 represented “Strongly agree”. The results are presented in Table 4.5.

Table 4.5 Performance Based Compensation

	N	Mean	Std. Deviation
Employees’ output determines the incentive compensation of the employees	89	4.28	.697
My organization links benefits and compensation of employees on employee’s performance	89	4.70	.219
My organization offers compensation and benefits based on current market rates	89	3.94	.340
My organization performs internal job promotions based on the employee performance	89	3.91	.498

Source: Researcher (2022)

According to Table 4.5's descriptive data, respondents agreed with the claim that an organization's employees' incentive compensation is determined by their productivity, as shown by a mean of 4.28 and a standard deviation of 0.697. According to the respondents' responses, which have a mean of 4.70 and a standard deviation of 0.219, the firm relates employee perks and remuneration to performance. According to a mean of 3.94 and a mean of 4.19, respectively, the respondents also agreed with the statements that the firm gives pay and benefits based on current market rates and that internal job promotions are done based on employee performance. Overall, the performance based compensation was found to have effect on employee performance.

4.4.2 Training & Development and Performance of Employees in Tea Warehouses

The second objective of the study sought to establish effect of training and development on employee performance. The results are as presented in Table 4.6.

Table 4.6 Training and Development

	N	Mean	Std. Deviation
My organization offers incentives to employees to motivate them to participate in education and training programs	89	4.77	.408
My organization offers regular employees training and development on a yearly basis	89	4.50	.750
My organizations conducts continuous on-job training for all employees	89	4.58	.617
My Organization offers adequate job orientation to newly recruited employees	89	4.89	.533

Source: Researcher (2022)

According to the mean of 4.77 and standard deviation of 0.408 of the descriptive data in Table 4.6, respondents agreed with the statement that the firm provides incentives to employees to encourage them to participate in education and training programs. As evidenced by a mean of 4.50 and a standard deviation of 0.750, the respondents agreed with the assertion that the business provides regular employees with training and development on an annual basis. The respondents also concurred with the statements that the company provides continual on-the-job training for all employees (mean=4.58) and that it provides sufficient job orientations to newly hired employees (mean=4.89, standard deviation=0.533). Overall, the training & development was found to have effect on employee performance.

4.4.3 Performance Appraisal and Performance of Employees in Tea Warehouses

The third objective of the study sought to determine the effect of performance appraisal and employee performance. The results are presented in Table 4.7.

Table 4.7 Performance Appraisal

	N	Mean	Std. Deviation
My organization provides employees with performance-based feedback in a timely manner	89	4.01	1.051
In my organization, supervisors discuss openly with employees on how to perform tasks efficiently based on appraisal outcome	89	3.97	.945
My supervisor engages me on planning for performance appraisal	89	4.19	.511
The organization rewards best performing employees so as to encourage other employees to perform better	89	4.80	.229

Source: Researcher (2022)

According to the descriptive data in Table 4.7, respondents agreed with the assertion that the company gives staff members performance-based feedback promptly, as shown by a mean of 4.01 and a standard deviation of 1.051. As shown by a mean of 3.97 and a standard deviation of 0.945, more respondents agreed with the assertion that in the organization, supervisors freely discuss with employees how to accomplish duties efficiently based on appraisal results. With a mean of 4.19 and a standard deviation of 0.511, respondents agreed with the assertion that the supervisor involves subordinates in performance appraisal planning. Respondents agreed to the statement that the organization rewards best performing employees so as to encourage other employees to perform better (mean = 4.80). Overall, the performance appraisal was found to have effect on employee performance.

4.4.4 Communication and Performance of Employees in Tea Warehouses

The fourth objective sought to investigate the extent of communication on employee performance. The results are as presented in Table 4.8.

Table 4.8 Communication

	N	Mean	Std. Deviation
My organization has effective communication policy	89	3.84	1.004
My organization uses appropriate medium to relay information based on the nature of the information	89	4.62	.670
My organization has a lean structure which improves communication	89	4.02	.895
My organization adopts open communication strategy to encourage employees air their views any time	89	3.34	.929

Source: Researcher (2022)

According to the mean of 3.84 and standard deviation of 1.004 of the descriptive results in Table 4.8, respondents agreed with the assertion that the firm has an effective communication policy. A mean of 4.62 and a standard deviation of 0.670 in the results further demonstrated that respondents agreed with the claim that the organization employs the right medium to convey information based on the material's nature. The results also revealed that respondents (mean = 4.02) agreed with the assertion that the organization has a lean structure that enhances communication. However, the respondents were indifferent to the statement that the organization adopts open communication strategy to encourage employees air their views any time (mean = 3.34). Overall, communication was found to have effect on employee performance.

4.5 Correlation Analysis

Correlation analysis was done to determine the extent and size of the association between high commitment work system and employee performance. The association between performance based compensation, training and development, performance appraisal, communication and employee performance was confirmed or denied using the Pearson's product moment correlation analysis. The results are shown in Table 4.9.

Table 4.9 Correlation Coefficient

		PBC	T&D	Communication	Employee Performance
Performance based compensation	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	89			
Training & Development	Pearson Correlation	.399**	1		
	Sig. (2-tailed)	.000			
	N	89	89		
Performance appraisal	Pearson Correlation	.435**	.550**		
	Sig. (2-tailed)	.000	.000		
	N	89	89		
Communication	Pearson Correlation	.507**	.442**	1	
	Sig. (2-tailed)	.000	.000		
	N	89	89	89	
Employee Performance	Pearson Correlation	.665**	.298**	.384	1
	Sig. (2-tailed)	.000	.000	.000	

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

Source: Researcher (2022)

Key

PBC –Performance based compensation

T&D – Training & Development

According to the bivariate correlation findings in Table 4.9, performance-based pay is positively and significantly correlated with employee performance. A correlation coefficient of 0.665 and a p-value of 0.000 support this. The bivariate correlation ($r=0.298$, $p=0.05$) between training and development and employee performance was entirely favorable and significant. Additionally, there is a somewhat positive and substantial bivariate correlation between employee performance and performance evaluations ($r=0.210$, $P=0.015$). The bivariate correlation ($r=0.384$, $P=0.000$) between communication and employee performance is likewise favorable and substantial. These correlation results supported Li, Khan, Kusi and Murad (2019) study on high-performance work system and

its effect on the performance of employees in Pakistan which indicated that a significant relationship between HCWS and performance of employees.

4.6 Multiple Regression Analysis

Employee performance was regressed on performance based compensation, training and development, performance appraisal and communication. The results of regression analysis are presented in table 4.10, 4.11 and 4.12.

Table 4.10 Overall Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.944 ^a	.891	.878	.32239	1.038

a. Predictors: (Constant), Performance based compensation, Training and development, Performance appraisal, Communication

b. Dependent Variable: Employee performance

Source: Researcher (2022)

According to Table 4.10, there is a positive association between high commitment work systems and employee performance. The correlation coefficient (R) for this relationship is 0.944. The coefficient of determination (R²) is 0.891, meaning that high commitment work systems account for 89.1% of the change in employee performance. Unmodelled determinants are responsible for the remaining 10.9%.

Table 4.11 Overall ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.038	4	5.509	177.709	.000 ^b
	Residual	2.702	86	.031		
	Total	24.741	90			

a. Dependent Variable: Employee performance

b. Predictors: (Constant), Performance based compensation, Training and development, Performance appraisal, Communication

Source: Researcher (2022)

Table 4.11's analysis of variance findings imply that the regression model's predicted associations are statistically significant at a p-value of 0.000, which is less than the

significance level of 0.05. This demonstrates the statistical significance of the entire regression model. Statistics show that F-value is significant (F=177.709, P 0.05). This indicates that the whole regression model, which includes all the predictor variables, achieved adequate fit and was thus appropriately applied.

Table 4.12 Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.417	.227		1.834	.000
Performance based compensation	.649	.177	.984	3.667	.000
Training & Development	.273	.146	.301	1.870	.003
Performance appraisal	.192	.388	.173	.496	.007
Communication	.321	.136	.366	2.369	.026

a. Dependent Variable: Employee performance
Source: Researcher (2022)

Table 4.12 displays regression or beta coefficients. As shown in the table, beta coefficients for all the predictors are all significant as $p < 0.05$.

The findings show that if all other indicators are held constant at zero, employee performance rises by 0.417. The regression results also indicate that a unit increase in performance-based pay results in a 0.649-unit improvement in employee performance. Additionally, a unit increase in training and development results in a 0.273-percent rise in favorable employee performance. A unit increase in communication results in an increase in employee performance of 0.321, whereas a unit increase in performance appraisal results in a positive change in employee performance of 0.192. The significance threshold was established at $p < 0.05$. With these findings, the following can be used to replace the multiple regression equation:

$$Y = 0.417 + 0.649X_1 + 0.273X_2 + 0.192X_3 + 0.321X_4$$

4.7 Discussion of Key Findings

For this study's research goals to be met, regression analysis served as the foundation. This was accomplished by taking into account the p values that correspond to the appropriate t-

values for the beta coefficients and F-ratio for R^2 , as given in Table 4.12. The study's primary goal was to determine how performance-based pay affected workers' productivity in Tea warehouses in Mombasa County. According to the numbers $\beta=0.649$, $t=3.667$, and $p=0.05$ of the regression analysis, there was a positively significant influence of performance-based compensation on employee performance. The study concludes that a unit increase in performance based compensation leads to 0.649 change in employee performance. The results corroborate those of Siramiati, Surachman, Hadiwidjojo, and Rohman (2016) who investigated the association between performance-based pay and employee performance and discovered a strong positive relationship. Peek (2022) had the opposite opinion, arguing that while performance-based compensation schemes may motivate workers to put in more effort, they can also lead to increased stress levels and decreased job satisfaction.

Establishing the impact of training and development on staff performance in Tea warehouses within Mombasa County was the second goal. The results of the regression analysis indicated that training and development had a substantial beneficial impact on employee performance ($\beta = 0.273$, $t=1.870$, $p0.05$). According to this, a unit increase in training and development results in a 0.273-percent rise in good employee performance. The findings support the findings of Wahab, Tatoglu, Glaister, and Demirbag (2021), who discovered a considerable impact of staff training and development on performance.

Thirdly, the study sought to establish the effect of performance appraisal on performance of employees in tea warehouses in Mombasa County. The results of the regression analysis demonstrated a significant beneficial impact of performance reviews on employee output, as evidenced by the numbers $\beta = 0.192$, $t=0.496$, and $p0.05$. This is consistent with Levinson (2020), who came to the conclusion that performance appraisal is essential to efficient management of personnel. It also means that a unit increase in performance appraisal results in a positive rise in organizational performance of 0.192.

Finally, the goal of the study was to find out how employees working in tea warehouses within Mombasa County performed in relation to communication. This made up the last

goal, which was to ascertain how communication affected worker performance. According to the results of the regression analysis, there is a positive significant relationship between communication and employee performance. The numbers $\beta = 0.321$, $t=2.369$, and $p<0.05$ suggest that for every unit increase in communication, employee performance rises by 0.321. The findings corroborate with those of Agustriyana, Saudi, and Sinaga (2021), who found that communication significantly affects employee performance, particularly in times of epidemic.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the findings and conclusion of the study as guided by the specific objectives. The chapter also presents the study recommendations and the areas for future research as per the findings of the study.

5.2 Summary of the Findings

The goal of the study was to determine how high commitment work systems affected performance of employees in tea warehouses within Mombasa County. The study was broken down into four sections: response rate; respondent background information; findings of the descriptive analysis of high commitment work systems; and, finally, the impact of high commitment work systems on employee performance. According to the study's findings, 89 out of a total of 96 questionnaires given were fully completed and returned, giving a response rate of 92.7%.

According to a descriptive study, respondents agreed with the claim that an organization's employees' incentive compensation is based on their performance. Additionally, the organization makes a connection between employee remuneration and perks and performance. The respondents also concurred with the claim that the company pays its employees. Additionally, respondents concurred with the statements that firms undertake internal job promotions based on employee performance and that benefits are based on current market rates. The results corroborate those of Siramiati, Surachman, Hadiwidjojo, and Rohman (2016) who investigated the association between performance-based pay and employee performance and discovered a strong positive relationship.

According to a descriptive analysis of the data, respondents agreed with the claim that firms provide incentives to employees to encourage them to take part in education and training programs. The respondents concurred that the company should annually provide regular staff training and development opportunities. The respondents also concurred with the

claim that all employees receive ongoing on-the-job training from their employers. It was determined that respondents agreed with the claim that tea warehouses provide new hires with adequate job orientations.

The descriptive results showed that respondents agreed with the proposition that organizations give workers timely performance-based feedback. The findings showed that respondents agreed with the claim that managers in firms freely communicate with workers how to complete jobs effectively based on appraisal results. According to the findings, respondents agreed with the statements that supervisors involve subordinates in performance appraisal planning and that firms should recognize top performers to motivate others to work more.

According to a descriptive analysis of the data, respondents agreed with the assertion that the organizations have successful communication policies and that they use the right medium to communicate information depending on the material's type. According to the findings, respondents agreed with the claim that firms have lean structures that enhance communication. The assertion that firms should embrace open communication strategies to allow staff to voice their opinions at any time, however, received little interest from the responders.

The study used a multiple linear regression model to compare employee performance to the data on high commitment work systems collected from the respondents. Employee performance was positively correlated with performance-based compensation, training and development, performance evaluation, and communication. Furthermore, a model validity significance of less than 0.05 indicated that the regression model was significant. The correlation coefficient (R) in the model summary shows a substantial association between high commitment work systems and employee performance.

5.3 Conclusions of the Study

The study concludes that tea warehouses consider the output of employees in order to determine the incentive compensation of those employees. This implies that pay for employees is determined by how much work is produced. Employee benefits and compensation at different tea warehouses are dependent on going market pricing, and tea warehouses link staff benefits and compensation to employee output. According to the study's findings, internal job promotions are determined by an employee's performance. Siramiati, Surachman, Hadiwidjojo, and Rohman (2016) evaluated performance-based pay and employee performance and found a substantial positive association between the two. These findings are consistent with other research.

The study also concludes that tea warehouses offer incentives to motivate their staff to enlist and participate in training programs. This suggests that firms give their workers benefits in order to motivate them to keep learning new things. Additionally, it is determined that tea warehouses provide ongoing on-the-job training for all employees and offer regular employees training and development opportunities once a year at most. The conclusion is that tea warehouses provide the newly hired employees with suitable job orientations. The findings support the findings of Wahab, Tatoglu, Glaister, and Demirbag (2021), who discovered a considerable impact of staff training and development on performance.

According to the study's findings, performance-based feedback is promptly given to employees by tea warehouse supervisors, who also consult openly with staff members on how to complete jobs effectively in light of appraisal results. According to the study's findings, managers of tea warehouses work with their subordinates to organize performance reviews. This indicates that all employees are involved in the planning process for the performance evaluation tools and processes. Additionally, it is decided that tea warehouses award top performers to motivate other staff members to work harder. The findings concur with those of Levinson (2020), who came to the conclusion that performance evaluation is essential to efficient personnel management.

The investigation comes to the conclusion that tea warehouses have excellent and dynamic communication procedures. Tea warehouses have lean structures that increase communication by reducing bureaucratic processes that could obstruct the effective flow of information. Tea warehouses use the right medium to send information depending on the nature of the information. However, it was found that tea warehouses gave contradictory answers to the question of whether they implement an open communication strategy to encourage employees to share their findings effectively.

5.4 Recommendations of the Study

The study recommends that management of tea warehouses create a pay plan that takes into account employee outputs and compensation value. The management should offer rewards based on the output-based measure of employee productivity. The management of tea warehouses should pay staff according to current market rates for both pay and benefits. Employees should also be internally promoted based on their consistency in production.

According to the report, tea warehouse management should devise strategies to motivate staff to participate in training programs both inside and outside of their places of employment. This would make a significant contribution to the warehouses' knowledge acquisition, resulting in competitive advantage. Tea warehouses should create training programs specifically for their staff and make them available on a yearly or regular basis. This would make it possible for warehouses to provide ongoing training to their staff.

The study suggests that managers of tea warehouses should promptly give employees feedback based on their performance. Supervisors of tea warehouses should be urged to consult freely with workers about how to complete duties effectively using the results of employee performance reviews. When making plans for performance reviews, lower tier employees and subordinates should be fully involved. This would encourage ownership and appreciation and lessen resentment. To motivate other workers to perform better, tea warehouses should publicly recognize and reward their top performers.

The study suggests that management of tea warehouses should have a dynamic and successful communication approach. According to the information's nature, tea warehouses

should use the right medium to provide information. To improve communication efficacy, management should reduce the bureaucratic structures of the warehouses. According to the report, tea warehouses should adopt an open communication policy to let staff members express their opinions to management without worrying about repercussions.

5.5 Limitations of the Study

The researcher made the necessary preparations and efforts to ensure the study's success. Nevertheless, the study still had a number of shortcomings. Information was not readily available since it was difficult to approach the workers from the warehouses and, when approached, they were unwilling to provide the information requested. However, presenting an authorization letter from the institution and outlining the goal of the research study helped to solve this problem.

Secondly, the results of this study were restricted by the respondents' willingness to submit truthful and trustworthy data. The researcher overcame this difficulty by ensuring consistency and assessing the accuracy of the data collected, which led to the success of the study. The scope of the study was restricted to tea warehouses, a rather narrow segment of the larger tea supply chain.

5.6 Suggestions for Further Research

This study looked into how high commitment work systems affected workers' productivity in tea warehouses, Mombasa County. The high commitment work practices employed in the study, however, were responsible for 89.1% of the change in employee performance. Accordingly, the researcher suggests that a study be done to examine other high commitment work systems in order to determine their impact on employee performance in Kenya's other industries as well as tea warehouses.

REFERENCES

- Abbas, Q., & Yaqoob, S. (2009). Effect of leadership development on employee performance in Pakistan. *Pakistan Economic and Social Review*, 47(2), 269-92.
- Agustriyana, D., Saudi, M. H. & Sinaga, O. (2021), Effect of communication on employee performance in the middle of Covid 19 pandemic. *Turkish Journal of Computer and Mathematics Education*, 12(8), 1370-1375.
- Akhutar, M. N., Zhang, J., Rofcanin, Y. & Zhang, Y. (2019), High-commitment work systems and employee voice: A multilevel and serial mediation approach inside the black box. *Employee Relations: The International Journal*, 41(4), 811-827.
- Armstrong, M. (2009). *Armstrong's handbook of human resource management practice*, (11th ed.), Kogan Page Limited.
- Baum, T. (2015), Human Resources in Tourism: Still Waiting for Change? *Reprise. Tourism Management*, 50(3), 204–212.
- Becker, B. E., & Huselid, M. A. (2000). High performance work systems and firm performance: A synthesis of research and managerial implications. In K.M. Rowland & G.R. Ferris (Eds.), *Research in personnel and human resources management*, 16(5), 53-101. Greenwich, CT: JAI.
- Boon, C. & Kalshoven, K. (2014), How high-commitment HRM relates to engagement and commitment: the moderating role of task proficiency, *Human Resource Management*, 53(3), 403-420.
- Ceylan, C. (2013). Commitment-based HR practices, different types of innovation activities and firm innovation performance. *International Journal of Human Resource Management*, 24, 208–226. doi: 10.1080/09585192.2012.680601
- Chen, Y., Jiang, Y. J., Tang, G., & Cooke, F. L. (2018). High-commitment work systems and middle managers' innovative behavior in the Chinese context: The moderating role of work-life conflicts and work climate. *Human Resource Management*, 57(5), 1317–1334.

- Chen, Z. X., Tsui, A. S. & Zhong, L. (2018), Reactions to Psychological Contract Breach: A Dual Perspective. *Journal of Organizational Behavior*, 29(5), 527–548.
- Chiang, Y. H., Shih, H. A., & Hsu, C. C. (2014). High-commitment work system, transactive memory system, and new product performance. *Journal of Business Research*, 67(4), 631–640. <https://doi.org/10.1016/j.jbusres.2013.01.022>
- Chillakuri, B., & Vanka, S. (2020). Understanding the effects of perceived organizational support and high-performance work systems on health harm through sustainable HRM lens: A moderated mediated examination. *Employee Relations: The International Journal*, ahead-of-print. <https://doi.org/10.1108/ER-01-2019-0046>.
- Collins, C. J., & Smith, K. G. (2006). Knowledge exchange and combination: the role of human resource practices in the performance of high-technology firms. *Academy of Management Journal*, 49, 544–560. doi: 10.5465/AMJ.2006.21794671
- Curran, D. B. (2000), The Causal Order of Job Satisfaction and Organizational Commitment in Models of Employee Turnover. *Human Resource Management Review*, 9(4), 495–524.
- Delery, J. (2017), Issues of fit in strategic human resource management: implications for research, *Human Resource Management Review*, 8(3) 289–309.
- De Menezes, L. M., & Kelliher, C. (2017). Flexible working, individual performance, and employee attitudes: Comparing formal and informal arrangements. *Human Resource Management*, 56(6), 1051–1070.
- De Nobile, J. J. D., & McCormick, J. (2008). Organizational communication and job satisfaction in Australian Catholic primary schools. *Educational Management Administration & Leadership*, 36(1), 101-22.
- Dessler, G. (2017). *Human resource management*, (15th ed.), Pearson Education, Inc.
- Detnakin, S., & Rurkkhum, S. (2019). Moderating effect of perceived organizational support on human resource development practices and organizational citizenship

- behavior. *Journal of Asia-Pacific Business*, 20(3), 215–234.
<https://doi.org/10.1080/10599231.2019.1647078>
- Dorta-Afonso, D., González-de-la-Rosa, M., García-Rodríguez, F. J., & Romero-Domínguez, L. (2021), Effects of High-Performance Work Systems (HPWS) on Hospitality Employees' Outcomes through their Organizational Commitment, Motivation, and Job Satisfaction. *Sustainability*, 13(6), 3226. <https://doi.org/10.3390/su13063226>.
- Downs, C. W., & Adrian, A. (2014), *Communication audits*. Lawrence, KS: Communication Management, Inc.
- Ho, H., & Kuvaas, B. (2020). Human resource management systems, employee wellbeing, and firm performance from the mutual gains and critical perspectives: The wellbeing paradox. *Human Resource Management*, 59(3), 235–253.
<https://doi.org/10.1002/hrm.21990>
- Hussain, R. M. (2011). An empirical study of the relationship between motivation to transfer and transfer of training. *Far East Journal of Psychology and Business*, 5(4), 47-56.
- Huselid, M. A. (2011), The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635–672.
- ILO. (2017), *Guidelines on Decent Work and Socially Responsible Tourism 2017*. International Labour Office, Sectoral Policies Department—ILO: Geneva, Switzerland, 2017. Available online: https://www.ilo.org/wcmsp5/groups/public/-/-ed_dialogue/---sector/documents/normative_instrument/wcms_546337.pdf (retrieved on September, 2021).
- Islam, R., & Rasad, S. B. M. (2006). Employee performance evaluation by the AHP: A case study. *Asia Pacific Management Review*, 11(3), 163-76.

- Iverson, R. D., & Zatzick, C. D. (2007). High-commitment work practices and downsizing harshness in Australian workplaces. *Industrial Relations*, 46(3), 456–480.
- Jorfi, H., Yaccob, H. F. B., & Shah, I. M. (2011). The relationship between demographics variables, emotional intelligence, communication effectiveness, motivation, and job satisfaction. *International Journal of Academic Research in Business and Social Sciences*, 25(3), 35-58.
- Judge, T. A.; Thoresen, C. J.; Bono, J. E.; Patton, G. K. (2005), The Job Satisfaction–Job Performance Relationship: A Qualitative and Quantitative Review. *Psychological Bulletin*, 127(3), 376.
- Lawler, E. J., & Thye, S. R. (2006), *Social Exchange Theory of Emotions*. Cornell University, ILR School.
- Levinson, H. (2020), *Appraisal of what performance?* Harvard Business Review. Retrieved from <https://hbr.org/1976/07/appraisal-of-what-performance>
- Li, C., Khan, M. A. S, Kusi, B. & Murad, M. (2019), The relationship between a high-performance work system and employee performance. *Psychology Research and Behavior Management*, 12(3), 397–416
- Lin, Y. T., & Liu, N. C. (2019). Corporate citizenship and employee outcomes: Does a high-commitment work system matter? *Journal of Business Ethics*, 156(1), 1079–1097. <https://doi.org/10.1007/s10551-017-3632-1>.
- Ogbonnaya, C., & Messer smith, J. (2019). Employee performance, well-being, and differential effects of human resource management sub dimensions: Mutual gains or conflicting outcomes? *Human Resource Management Journal*, 29(3), 509–526. <https://doi.org/10.1111/1748-8583.12203>
- Park, O., Bae, J., & Hong, W. (2019). High-commitment HRM system, HR capability, and ambidextrous technological innovation. *The International Journal of Human Resource Management*, 30(9), 1526–1548. <https://doi.org/10.1080/09585192.2017.1296880>

- Peek, S. (2022), *Performance-Based Pay Won't Motivate Employees as Much as You Think*. Business News Daily of June 29, 2022. Retrieved from <https://www.businessnewsdaily.com/9712-performance-based-pay.html>
- Peccei, R., & Van De Voorde, K. (2019). Human resource management-wellbeing-performance research revisited: Past, present, and future. *Human Resource Management Journal*, 29(4), 539–563. <https://doi.org/10.1111/1748-8583.12254>
- Siramiati, N., Surachman, W., Hadiwidjojo, D., & Rohman, F. (2016), Performance based compensation and employee performance. *International Journal of Business, Economics and Law*, 11(2), Pp. 62-70.
- Supian, C., Nor, M., Kumah, R., Mohamed, H., Mohamed, B., & Hassan, A. C. (2020). Human resources management practices and its impact on employee commitment among staffs of road transport department, Perak, Malaysia. *Journal of Environmental Treatment Techniques*, 8(1), 28–34.
- Syrek, C. J., Apostel, E., & Antoni, C. H. (2013). Stress in highly demanding IT jobs: Transformational leadership moderates the impact of time pressure on exhaustion and work-life balance. *Journal of Occupational Health Psychology*, 18(3), 252–262. <https://doi.org/10.1037/a0033085>
- Teece, D. J., Pisano, G., & Shuen, A. (2009). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18 (7), 509–533.
- Tracey, J. B. (2014), A review of human resources management research. *International Journal of Contemporary Hospitality Management*, 26(2), 679–705.
- Vanden Berghe, J. (2011), *Job satisfaction and job performance at the work place* [doctoral thesis]. Helsinki: Arcada University of Applied Sciences Ltd.; 2011;1-51.
- Wahab, M. A, Tatoglu, E., Glaister, A. J., & Demirbag, M. (2021), Effect of high-commitment work systems on firm performance, employee burnout and wellbeing. *The International Journal of Human Resource Management*, 32(1), 24-48. <https://doi.org/10.1080/09585192.2020.1833069>

- Wu P-C, Chaturvedi S. (2015), The role of procedural justice and power distance in the relationship between high performance work systems and employee attitudes: A multilevel perspective. *Journal of Management*, 35(5):1228–1247.
- Xiao, Z. & Björkman, I. (2016), High commitment work systems in Chinese organizations: a preliminary measure, *Management and Organization Review*, 2(3), 403-422.
- Xiao, Z. & Tsui, A.S. (2014), When brokers may not work: the cultural contingency of social capital in Chinese high-tech firms, *Administrative Science Quarterly*, 52(1), 1-31.
- Zhang B, & Morris J. L. (2014), High-performance work systems and organizational performance: testing the mediation role of employee outcomes using evidence from PR China. *International Journal of Human Resource Management*, 25(1), 68–90. doi:10.1080/09585192.2013.781524

APPENDICES

Appendix I: Letter of Introduction



UNIVERSITY OF NAIROBI
FACULTY OF BUSINESS AND MANAGEMENT SCIENCES
MOMBASA CAMPUS

Telephone: 4184160/1-5 Ext. 220
Email: commerce@uonbi.ca.ke

P.O. Box 30197
Nairobi, Kenya

21st June, 2022

TO WHOM IT MAY CONCERN

RE: INTRODUCTION LETTER

This is to certify that SUSAN N. NAMACHI (REG. NO. D61/34564/2019) is a bona fide student of the University of Nairobi, pursuing a degree in Masters of Business Administration (MBA).

As part of the fulfillment of the requirement of the course, he is undertaking a study titled ***"EFFECT OF HIGH COMMITMENT WORK SYSTEMS ON EMPLOYEE PERFORMANCE IN TEA WAREHOUSES, MOMBASA COUNTY."***

You have been selected as one of the respondents in the study. The purpose of this letter therefore, is to kindly request you to assist and facilitate in carrying out the study in your organization by answering the questions in the attached questionnaire.

Data and information obtained through this exercise is purely for academic purpose and will be treated with utmost confidentiality. In case of any questions or clarifications, he can be reached on 0721204785 or susan.namachi@gmail.com

Your assistance and cooperation will be highly appreciated. Thank you very much in advance.



Dr. Zipporah Onsomu,
Ass.Coordinator, Faculty of Business and Management Sciences, Mombasa Campus

Appendix II: Research Questionnaire

SECTION A: General Information

1. Indicate the number in years your organization have been in existence
 - a. 0-5 years
 - b. 6-10 years
 - c. 11-20 years
 - d. 21-25 years
 - e. Above 26 years
2. Does your organization have autonomous HR department
 - a. Yes
 - b. No
3. Indicate the length of time you have worked in the current organization
 - a. 1-5 years ()
 - b. 6-10 years ()
 - c. 11-15 years ()
 - d. above 16 years ()
4. Indicate your education level (tick all that apply to you)
 - a. Certificate ()
 - b. National Higher Diploma ()
 - c. Bachelor's Degree ()
 - d. Master's Degree ()
 - e. Other (Please Specify)

SECTION B: High Commitment Work Systems

On a scale of 1 to 5 where;

1 – To a very less extent, 2 – To a less extent, 3 – To a moderate extent, 4 – To a great extent, 5 – To a very great extent. Indicate the extent to which you agree or disagree with the statements.

I)	Performance-Based Compensation					
	Statement	1	2	3	4	5
1	Employees' output determines the incentive compensation of the employees					
2	My organization links benefits and compensation of employees on employee's performance					
3	My organization offers compensation and benefits based on current market rates					
4	My organization performs internal job promotions based on the employee performance					
II)	Training & Development	1	2	3	4	5
1	My organization offers incentives to employees to motivate them to participate in education and training programs					
2	My organization offers regular employees training and development on a yearly basis					
3	My organizations conducts continuous on-job training for all employees					

4	My organization offers adequate job orientations to the newly recruited employees					
III)	Performance Appraisal	1	2	3	4	5
1	My organization provides employees with performance-based feedback in a timely manner					
2	In my organization, supervisors discuss openly with employees on how to perform tasks efficiently based on appraisal outcome					
3	My supervisor engages me on planning for performance appraisal					
4	My organization rewards best performing employees so as to encourage other employees to perform better					
IV)	Communication	1	2	3	4	5
1	My organization has effective communication policy					
2	My organization uses appropriate medium to relay information based on the nature of the information					
3	My organization has a lean structure which improves communication					
4	My organization adopts open communication strategy to encourage employees air their views any time					

SECTION C: Employee Performance

		1	2	3	4	5
1.	Tea warehouse staff turnover has relatively decreased in the last five years					
2.	Customer retention rate in the tea warehouse has increased in the last five years					
3.	The product defects rate in the tea warehouse has reduced in the last five years					
4.	The employee satisfaction levels have increased in the last five years					

Appendix III: List of Tea Warehouses in Mombasa

- 1 Bryson Express Ltd
- 2 Byline Swift Services Limited
- 3 Cargill Kenya Ltd
- 4 Chai Trading Company Ltd
- 5 DHL Supply Chain Kenya Ltd
- 6 DL Koisagat Tea Estates Ltd
- 7 James Finlay Mombasa Ltd
- 8 Kipkebe Limited
- 9 Mitchell Cotts Freight Kenya Ltd
- 10 Pacmac Holdings Ltd
- 11 Rift Valley Tea Solutions Ltd
- 12 Bollore Transport & Logistics Kenya Limited
- 13 Signing Group Ltd
- 14 Tea Warehouses Ltd
- 15 Ufanisi Freighters (K) Ltd
- 16 United (E.A) Warehouses Ltd
- 17 Bahari (T) Company Ltd

Source; EATTA (2021)