

**INFLUENCE OF EMPLOYEE RELATIONS STRATEGIES ON
ORGANISATIONAL PERFORMANCE: A CASE OF KENYA
COMMERCIAL BANK KISUMU BRANCH.**

BY

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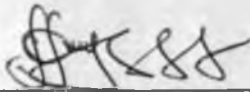
**A RESEARCH PROJECT REPORT SUBMITTED IN FULFILLMENT OF THE
REQUIREMENTS FOR THE AWARD OF THE DEGREE OF A MASTERS OF
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NAIROBI**

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DECLARATION

This research project work is my original work and has not been presented for any award in any university.



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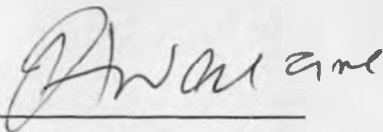
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DEDICATION

This research project is dedicated to my entire family whose support has remained my source of inspiration during the period of the study.

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LIST OF ABBREVIATIONS AND ACRONYMS

ACAS- Advisory, Conciliation and Arbitration Services

JCC- Joint Consultative Committee

KCB- Kenya Commercial Bank Ltd

TQM- Total Quality Management

ABSTRACT

Employee relations strategy is an integral element of organizational strategic blue print. Employee relations strategy is the employee-employer relationship which govern the rules of employment. In today's competitive business environment organizations are faced with the challenge of employee retention caused by high employee turnover and inadequacy in human resource talents and skills in the market, therefore most organizations are implementing policies to ensure that they become the employer of choice thereby enabling them to compete for the limited human resource talents and skills in the market. Employee is a major asset valued greatly by the organization. This study was set out to verify how true the statement is. The study established how employee relations strategies influence operations of an enterprise. This research study established the employee relations strategies implemented by banking institutions in order to improve their overall organizational performance and to enhance the achievement of organizational goals. The research study was also set to come up with new ways of improving employee relations in banking institutions and other forms of organization. The study established the relationship between employee relations strategies and organizational performance and ways of building up an employer of choice model to maximize organizational performance. The research study reviewed literature on the topic of study based on five components of employee relations strategies namely; staffing and promotions, employee training and development, performance appraisal, job analysis and job description and finally employee reward system. The study analyzed Human relations theory constructed by Elton Mayo in 1933 as theoretical framework guiding the study which formed the basis for perceived conceptual framework in the study. The research study was carried out at Kenya Commercial Bank Ltd; Kisumu Branch targeting all their employees at all levels of the organizational structure. The sample population of the study included all the sixty of the branch's staff population and the research design was descriptive with instrumentation of questionnaires and in-depth interview of top level management, sampling design was used in the research study, data collection was stratified using random sampling since the research was not dealing with homogenous respondents. Data collected was analyzed using SPSS version 12 and presented in tables to allow for cross comparison according to the objective of the study. The study found that staffing and promotions, employee training and development, performance appraisal, job analysis and job description and finally employee reward system as components of employee relations strategies significantly influence organizational performance and therefore various strategies to strengthen these components of employee relations strategies should be put in place. The study recommended that a similar study should be carried out in various organizations in other sectors of the economy to complement the findings.

CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Employee relations strategy involves all management decisions and actions that affect the nature of the relationship between organisation and its employees (Beer and Spector, 1985; Boxall and Purcell, 2000).

The emergence of employee relation as distinctive area within management studies was mainly due to the economic and political events that took place during the 1980s. The economic recession faced by UK and USA industries throughout this decade encouraged managers to adopt practices from Japanese companies, especially those related to the management of people as a key success factor. Managers became more aware that organisations should restructure methods of employee relations in order to move beyond traditional production-oriented practices (Storey, 1992). Simultaneously, an important change occurred in the industrial and organizational structures, which represented a break away from bureaucratic systems and the introduction of higher decentralization, delegation of responsibility and greater employee participation in the organisation.

During the late 1990s and the first years of the 21st century, modern companies have experienced an accelerated pace of change (Prastacos *et al*, 2002). Nowadays organisations operate in environments with unprecedented and unpredictable events (Shafer *et al*. 2001). Companies have to face significant uncertainty, ambiguity and increasing strategic discontinuity, which are the result of several factors.

Current environmental dynamism is a consequence of market globalization and technological advances, among other factors and leads to new ways of achieving acceptable levels of competitiveness. This new landscape forces many organisations to continuously redefine their activities and strategies because traditional concepts that sustained competitiveness under stable conditions are no longer valid to prepare organisations for dynamic environment (Sanchez, 1997). New managerial approaches should promote employee relations in order to guarantee organizational success (Hitt *et al*, 1998).

Transformations in way organisations compete are also reshaping work, workers and working (Howard, 1995). While in the past it may have been enough for an employee to be a satisfactory task performer, nowadays the expectation of managers and supervisors are changing. Some doubts have emerged about the way in which employees should be motivated and committed in the new organizational context. Moreover, major implications have risen for traditional notions of long-term jobs or careers. Employees are increasingly developing career paths through a number of differing employing organisations (Morris, 2004)

Technological advances in information transfer and telecommunications constitute one of the main sources of uncertainty in existing environments (Pastacos *et al*, 2002). Significant trends in technological transformation include a high rate of technological change and diffusion, the progress of the information age and growing importance of knowledge in achievement of competitive advantage.

In Europe, according to report from statistical office of the European communities (Eurostat) nearly 44% of companies within the European Union carried out some form of

technological innovation between 1998 and 2000 (Eurostat, 2005). Of all the European companies, 90% had internet connection in 2004 (Eurostat, 2005). In Kenya, according to report from Central Bank of Kenya all banks have incorporated internet connection and banking computer hardware to undertake their duties.

Another important source of dynamism in present environments is market globalization. The international economic situation and recent political regulation facilitate entry into international market. Globalization does not only affect multinational firms, but also local companies, which increasingly maintain cross-border relationships.

The openness to foreign markets provides opportunities such as incentives for innovation, but it also presents firms with multiple threats and challenges. Operating in different countries means that organisations must take into account a greater number of stakeholders and contingencies. In other words, organisations have to learn to coordinate activities across national boarder, they must assume that customers' preferences and demands differ between countries, that is more difficult to identify and analyze competitors, that the evaluation of organizational performance is more complicated (Hitt *et al*, 1998).

According to Murphy (1999), the definition of jobs and job performance in organisations operating in dynamic environments are becoming increasingly complex and blurry. Due to the relevance of the human factor in facing external pressures it is important to study in further detail the effects of environmental dynamism in questions such as employee performance, job design or continuous learning (Ilgen and Pilakos, 1999). Current environmental conditions and subsequent organizational responses affect employee relations strategies.

Employee relations is traditionally concerned with the institutions of job regulation and generation of employment rules and led to focus on trade unions, collective bargaining and collective agreements. Employee relations is both event driven by government change, technological change, demographic change, management change and changes in ownership of organisation and also structure driven by economic trends, political trends and changes to social institutions.

Globally employee relation is monitored by the International Labour Organisation. Kenya joined the ILO in 1949. As of 4 June 2004 Kenya had ratified 49 ILO Conventions of which 43 were in force in the country and practice can be traced to the 19th century when need arose for the colonial government to pass legislation to ensure adequate supply of cheap labour to service the emerging enterprises in agriculture, industry and in the service sector. Terms and conditions of employment were regulated by statutes and the common law. The law of contract in Kenya was originally based on the Contract Act, 1872, of India, which applied on contracts made or entered into before 1st of January 1961. The Indian Contract Act applied to the three countries Kenya, Tanzania and Uganda. Since then the Kenyan law of contract has been based on the English common law of contract, under the Kenyan Law of Contract Act. The genesis of labour law (Cap. 23), section 2 (1).

With industrialization, towards the middle of the 20th century, an organized trade union movement was well established. The first wage earners' associations in Kenya can be traced back to the early 1940s and soon after the Second World War.

The first trade union regulation was made in the introduction of Ordinance No. 35 of 1939 that required all crafts organizations to apply for registration which they could be

granted or denied depending on whether they had legitimate dealings consistent with government policy. The Ordinance also permitted any group of seven people to form a trade union and operate as one upon registration. Cancellation of registration under the Ordinance was not subject to appeal or open to question in a court of law.

In 1948, in order to gain complete hold on the wage earners organizations the government brought in a Trade Union Labour Officer, to be attached to the Labour Department with the duty to foster "responsible" unionism. In 1952 a more detailed piece of legislation was enacted for Trade Unions but again with significant omissions. It lacked necessary provisions for effective operation of trade unions. It did not legalize peaceful picketing or provide immunity against damages as a result of strikes. On the other hand, the government encouraged creation of staff associations and works committees since they fitted in its interests to confining workers' organization to economic imperative alone and also lacked strike powers.

This rigid control of trade unions was maintained by the colonial government until the end. This notwithstanding, the movement was able to grow both in numerical strength and power. At independence the total number of following was about 155,000, 52 trade unions, with four centres formed and registered, namely, East African Trade Union Congress (EATUC), Kenya Federation of Registered Trade Unions (KFRTU), Kenya Federation of Labour (KFL) and Kenya Africa Workers Congress (KAWC).

Industrial confrontation arose not merely from traditional trade union activities, but also from the movement's political role in the struggle for freedom from colonial domination, particularly after individual political leaders had been arrested and placed in detention.

On the threshold of independence however, both employers and trade unions, felt that it was vital for the infant nation to make economic process that capital and labour should work together in harmony: the incidence of strikes and lockouts had to be drastically reduced.

As a result, in October 1962, a landmark was established with the signing of the Industrial Relations Charter by the government of Kenya, the Federation of Kenya Employers and the Kenya Federation of Labour, the forerunner of COTU (K), the Central Organisation Of Trade Unions (Kenya).

The Industrial Relations Charter spelt out the agreed responsibilities of management and unions and their respective obligations in the field of industrial relations, it defined a model recognition agreement as a guide to parties involved, and it set up a joint Dispute Commission.

The Industrial Relations Charter has been revised twice since then, but remained the basis for social dialogue and labour relations in Kenya throughout the years. Currently the "Charter" is under review again; the parties have already produced a draft Charter in 2001 that might be signed in the context of the overall Labour Law review.

With the set up of an Industrial Court in 1964, one additional basic cornerstone was laid for the development of amicable employment conflict resolution in Kenya. Employment relations in Kenya are regulated by a number of sources: constitutional rights, as mentioned above; statutory rights, as set out in statutes and regulations; rights set by collective agreements and extension orders of collective agreements; and individual labour contracts.

Acts of Parliament in the realm of civil and criminal law, which have provisions that may have impact on individual and collective labour relations include the Contract Act.

Local Government Act, Public Service Commission Act, the Children Act, laws concerning the Armed Forces, and legislation dealing with the establishment of parastatals.

Today employee relations strategy in Kenya is more about involvement, engagement, participation and partnership rather than collective bargaining and conflict resolution.

1.2 Statement of the problem

Tendencies such as increasing spread of market globalization, new technological developments, the reduction of product life cycle and aggressive completion, are generating high level of environmental changes and uncertainty for organisations of all types (Volberda, 1996; Sanchez, 1997). These circumstances require rapid responses through adaptations of organizational attitude and capabilities, which lead to innovative management approaches and organizational methods (Bueno 1996).

Traditional sources of competitive advantage are changing and it is imperative to deploy new strategies to successfully compete under changing external conditions. For example, employee relations and flexibility are emerging as competitive weapons that allow organizations to counteract current market evolution and competitive levels (Ahmed *et al* 1996; Volberda, 1996). Regardless of the specific response adopted by organizations, it is broadly believed that environmental dynamism forces managers to pay increasing attention to management of the organisation's social issues (Wright & Snell, 1998).

From a management point of view, human resources management activities used by organisations in the new competitive landscape are changing. This can be seen, for example,

in job descriptions. Nowadays individual contribution to organizational goals is being substituted by team accomplishments. Furthermore, technological advances like the introduction of internet in companies are making it difficult to access and manage employee performance in the workplace. In particular, the new regulation by the Finance Act 2008, which took effect on 1 January 2009 require banks and mortgage firms to build a minimum core capital of Kshs 1 billion by December 2012 and the declining interest margins have posed a challenges to the banking industry in Kenya. As a result employee relations strategy is emerging as the optimal system to manage the employment relationships in modern organisations and improve the overall organisation performance. Employee relations strategy is a particular approach to human resource management characterized by certain features such as the emphasis on the development of employee skills, job enrichment and provision of equitable incentives.

1.3 Purpose of the study

The purpose of the study was to investigate how employee relations influence the overall organization performance taking a case of Kenya Commercial Bank Kisumu Branch.

1.4 Objectives of the study.

The study was guided by the following objectives:

1. To examine the influence of staffing and promotions as components of employee relations strategies on organisational performance.

2. To determine how employee training and development as components of employee relations strategy influence organisational performance.
3. To ascertain the influence of performance appraisal as a component of employee relations strategy on organisational performance.
4. To explore how of job analysis and description as components of employee relations strategies influence organisational performance.
5. To establish the influence of reward as a component of employee relations strategies on organisation performance.

1.5 Research Questions

The study sought to answer the following questions:

1. Do staffing and promotions as components of employee relations strategies influence organisational performance at Kenya Commercial Bank Kisumu branch?
2. To what extent do employee training and development as components of employee relations strategies influence organisational performance at Kenya Commercial Bank Kisumu branch?
3. What is the influence of performance appraisal as a component of employee relations strategies on organisational performance?
4. Do job analysis and description as components of employee relations strategies influence organisational performance at Kenya Commercial Bank Kisumu branch?
5. Does reward as a component of employee relations strategies influence organisational performance at Kenya Commercial Bank Kisumu branch?

1.6 Significance of the Study

Employee relations have proved to be a significant aspect of improving relationship in the workplace. In addition, Employee relations set the rules and regulations that govern the employment relationship. The study was set out to ensure that employee relations in the workplace are improved and the employer and employee agree and work together towards achieving the organisation goals. The study sought to establish fundamental ways of improving organisation performance by improving employee relations strategies.

It is hoped that findings of the study will be found helpful by Kenya Commercial Bank Ltd, the organisation of study and other financial institutions to improve the relationship between their employees and the management of the organisations. It is also hoped that the study will introduce appropriate ways of ensuring employee satisfaction in the organisation, ensuring that all employees related issues are resolved and the overall employee performance is improved.

Finally, this research added to existing literature on influence of employee relations on organisational performance in banking industry. It also formed the basis upon which other studies will be done.

1.7 Basic Assumptions of the study of the study

The study was carried out with the following underlying assumption that the respondents gave accurate information without any form of bias or fear of victimization and that information obtained was representative of the views of the target group and not just the views of a small group.

1.8 Limitation of the study

The study was based on the assumption that employee relations strategies influence organisational performance in Kenya Commercial Bank Kisumu branch and that the respondents for the study provided truthful and accurate information required to make the study successful. The study should be conducted in all banks in Kenya to improve its external validity. However, due to time and financial constraints the study was only conducted at KCB Kisumu branch. Therefore the findings might not allow generalization. Another limitation of the study is the secrecy code signed by all employees of financial institutions which limit them to disclose more information about the bank for fear of victimization and corresponding consequences.

1.9 De-limitation of the study

The study was conducted in the Kenya Commercial Bank Ltd-Kisumu Branch along Oginga Odinga Street Kisumu hence generalization of the study findings is not a full representation of national situation in all banks. The study covered all the staff including management of KCB Kisumu branch which is the second largest branch of KCB and therefore considered a major player in the banking industry in Kenya.

1.10 Definition of significant terms as used in the study

Employee relations: The relationship between employee and employer that sets the rules which govern employment relationship.

Influence: To affect positively or negatively.

- Motivation:** Physiological, intellectual and emotional processes that combine to determine how a person will handle a situation in terms of strength and psychological energy.
- Organisation:** A firm, an enterprise or an institution that provides employment opportunity.
- Performance:** The accomplishment of pre-determined goals and objectives
- Policy:** Adequacy or inadequacy of a system. It is management structure in relation to goals and objectives which can be harmful or beneficial to the system.
- Strategy:** Practices instituted by the management to achieve set goals and objectives
- Task performance:** It is the ability of individual employees to do a given duty effectively and efficiently towards the attainment of the overall organisation goals and objectives.

1.11 Organization of the study

This research project was arranged in five chapters. The first chapter highlights information on the background of the study, statement of the problem, purpose of the study, objectives of the study, research questions, and significance of the study, limitations, and delimitation of the study, research assumptions and definition of significant terms. Chapter two provides for literature review, theoretical and conceptual framework which highlights the interplay of variables in the study. Chapter three describes the research methodology in terms of sample

and sampling procedure, data collection tools and instruments, validity and reliability of the instruments and data analysis techniques. Chapter four contains data presentation, analysis and interpretation. Finally chapter five highlights a discussion of findings, conclusions and recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction.

In this chapter the researcher discussed the literature review, the theoretical framework and the conceptual framework.

2.2 Overview of influence of employee relations strategies on organizational performance.

Reviewed literature demonstrates competitive relevance of employee relations by analyzing the extent to which the adoption of employee relations strategy enhances organisational performance. In this regard, existing studies have adopted three distinct approaches. First, some scholars defend the benefits of this employee relations strategy across all types of organisations- the best practice or the universalistic perspective. Second, the studies consider employee relations strategy as only appropriate for certain organisations and under specific circumstances- the contingent and configurative approach.

Studies within the universalistic perspective assume that non-Taylorist methods that emerged in the 1980s are always beneficial for organisational performance. Earlier proponents of employee relations defended this idea (Walton, 1985; Guest, 1987) and a great number of studies have provided empirical evidence on the positive universalistic effects of employee relations on organisational performance. For instance, studies by Arthur (1992, 1994) showed that employee relations strategies aimed at increasing employee commitment were related to higher performance. This author also demonstrated that traditional human

resources strategies- with a greater focus on control, efficiency and lower employee discretion negatively affected organisational performance. Another key contribution within the universalistic approach is the research carried out by Huselid (1995), which provided evidence that employee relations strategy-labeled High Performance Management by the author, results in greater productivity and organisational performance and in lower employee turnover. Delaney and Huselid (1995) conclude that employee relations strategy is positively related with organisational performance and Huselid *et al.* (1997) demonstrate influence of employee relations on employee productivity, cash flow and market value.

Contingent and configurative approaches assume that organisations manage their human resource rationally as with any other factor of production (Truss *et al.*, 1997). Such a calculative view of human resource emphasizes the strategic fit of human resource strategy, that is, their internal and external fit.

The literature on employee relations strategy regarding the internal fit, the configurative perspective, emphasizes the need to adopt coherent systems or bundles of high commitment practices (Arthur, 1994; Delery and Doty, 1996; MacDuffie and Kochan, 1995). The empirical evidence show that many employee relations strategies are usually found together, that is, these strategies are driven from common philosophy (Vandenberghe *et al.*, 1999; Gallie *et al.*, 2001). For example, Wood and Albanese (1995), on a sample of manufacturing companies, demonstrated that there is an underlying commitment approach to the management of human resource that explains the association between the practices making up employee relations strategy. Consequently, these practices should be introduced into organisation as a coherent system that assures an internal logic among them. Some

studies have shown the benefits of an intergraded employee relations strategy, in terms of its impact on organisation's results.

The external fit, the contingent perspective, is based on the idea that organisational strategy acts on a moderator variable that increases or reduces the impact of the human resource strategy on organisational performance (Delery and Dot, 1996; Youndt *et al*, 1996; Becker and Huselid, 1998; Camelo *et al*, 2004). This approach provides deeper view into organisational phenomena, leading to more situational specific theories and prescriptions for practice (Youndt *et al*, 1996). It goes beyond the linear causal relationships analyzed in the universalistic approach of employee relations strategies and allows for interaction effects depending on the presence of a contingent variable (Colbert, 2004). As a result, from this point of view, employee relations strategy outperforms other systems only under specific circumstances (Wood, 1999). For instance research by Youndt *et al*, (1996) suggests that employee relations strategy enhances performance when the organisation adopts either quality or flexibility manufacturing strategy. Conversely, this strategy is not very appropriate for organisations following a cost strategy. In this case administrative or traditional human resource strategy would be most suitable approach.

2.3 Influence Staffing and Promotions as components of employee relations strategies on organisational performance.

The staffing function of management covers tasks associated with acquiring and allocating employees within an organisation (Butler *et al*, 1991). It comprises a set of practices whose main purpose is to match available human resource to jobs in the

organisation and assure the efficacy of employees in their signed tasks (Fombrun *et al*, 1984). Thus, this process aims to place right employees in the right places and at right moment in order to meet the needs of the organisation. This functional area relates to assessing future people requirements, known as human resource planning, recruiting candidates with required characteristics and selecting the appropriate candidate for a specific job. This area also covers the induction of new entrants as a future phase of initial selection and selection for promotion, transfer and dismissal from the organisation (Lundy and Cowling, 1996). Staffing practices play a crucial role in identifying people whose skills, abilities and knowledge make effective contribution to the achievement of organizational goals (Rees and Doran, 2001).

Another key aspect of staffing in today's organisations is the emphasis on group-based organisation of the workplace. Rather than recruiting and assigning responsibilities and tasks to individuals, many organisations are increasingly oriented towards the assignment of broad responsibilities to teams which may be recruited for specific projects or to work as a unit across several projects (Murphy, 1999). The organisation of jobs around teams enables higher fluidity over time and among individuals in the way duties and responsibilities are associated with team members (Ilgen and Pulakos, 1999).

There are two features characterizing workforce in today's organisations (Murphy, 1999). Firstly, there is an increasingly tendency on the part of the employees to change jobs, organisations and even careers with some frequency. Secondly, increased competition has led to a higher use of contingent workforce made up of core and contingent employees, i.e temporary, part-time or seasonal employees. In Kenya for example, the number of temporary contracts in the banking industry has continually increased over the last five years.

specifically among the sales staff.

The advantages of using contingent employees are that they allow organisations to meet varying business cycle and become more flexible. Conversely, the use of contingent staff also entails costs as it can be detrimental to workforce commitment and job satisfaction. Furthermore, there can be certain inefficiencies of communication between full-time and contingent staff that give rise to conflicts or inefficiencies (Hulin and Glomb, 1999).

2.4 Influence of Training and Development as components of employee relations strategies on organisational performance.

Training and development represents key interventions in order to correct deficiencies in employees' skills or to add value to human capital stock within the organisation (Snell and Dean, 1994). Development is the process of enhancing an individual's present and future effectiveness (Fombrun *et al.*, 1984) and it is long-term in focus while training has a shorter-term focus and aimed at helping employees to master defined tasks or areas of skill and knowledge to predetermined standards (Harrison, 1989). Quality employee training and development enhances individual employee productivity and the overall organisational performance.

Employee potential towards the achievement of organisational goals is mostly not fully utilized and can be enhanced through the appropriate training. Thus organisations with well established employee relations strategy are seen as those that take seriously the skill development of individual staff (Gallie *et al.*, 2001). Organisations have various options to enhance employee skills. According to Delery and Doty (1996), a higher level of human

capital such as collective skills and abilities can be attained by focusing on either the selection processes that determine the characteristics of the workforce, referred to as buy orientation or on development actions covering current employees, referred to as make orientation.

Efforts can be oriented towards the improvement of the quality of the employees hired and the comprehensiveness of staffing process has been considered as a critical element to determine the nature of the organisation's future workforce. Many scholars assume that a selection process is comprehensive when high number of candidates are considered for each vacancy (Huselid, 1995; Delaney and Huselid, 1996; Youndt et al. 1996; Whitener, 2001). However, other scholars (Koch and McGrath, 1996; Roche, 1999) relate the exhaustiveness of the staffing processes to the existence of detailed planning of organisation's human resource needs as well as formal evaluation of results of the selection processes. Regardless of the specific selection process management technique, employee relations strategy places emphasis on finding the right person for each position offered.

Organisations can improve the quality of their present employees by providing developmental activities after selection. Development initiatives have usually been associated to training programmes. Several studies on the employee relations strategy have highlighted the need for extensive training programmes either in terms of number of hours provided or the percentage of employees covered by the training programmes (McDuffie, 1995; Delaney and Huselid, 1996; Youndt *et al.*, 1996). Concerning the scope of the training activities, there is certain agreement over the appropriateness of cross-functional type training programmes (Arthur, 1994; Jayaram *et al.*, 1999; Guthrie, 2001) and transmission of generic abilities such

as problem-solving skills or teamwork abilities (Youndt *et al.*, 1996; Vandenberg *et al.*, 1999; Applebaum *et al.*, 2000). Other authors, such as Wood and Albanese (1995) address the temporal dimension of training and recommend the long-term focus of the training activities, oriented towards future skill requirements that may be needed in the organisation to improve individual employee productivity and the overall organisation performance.

Changing external conditions and technology lead to inclusion of continuous learning as key element of job accomplishment and performance. In the past, performance was based entirely on previous knowledge. Nowadays, continuous learning is progressively becoming part of the organisational culture and critical success factor to survive in dynamic and competitive environment (Tracey *et al.*, 1995). Higher demand for flexibility require employee re-learning to be competitive for different jobs. Today's organisations need to constantly analyse the skill gaps of the workforce. In addition, employees' initiatives to autonomously improve their abilities are highly valued by organisations. Therefore, job performance indicators also include the employees' ability to keep up with changing skill requirements at work (London and Mone, 1999)

2.5 Influence of Performance Appraisal as a component of employee relations strategies on organisational performance.

Performance appraisal practices involve measuring employee performance in their jobs in terms of the agreed objectives and competence required (Gomez-Mejia *et al.*, 2001). The activities within this area can assist managers and supervisors in controlling employee output, in identifying training needs and in establishing levels of merit pay (Lundy and

Cowling, 1996; Bonache, 2002). Performance appraisal activities are critical to link the performance of the organisation with the performance of an individual (Miller, 1992)

Job responsibilities and job performance under changing business conditions are likely to be defined in general terms and identification of which behavior specific workers must demonstrate is likely to be complex and changing, as they are affected by a number of contextual factors. According to Murphy (1999), the definition of good or poor performance is now, to certain extent, ambiguous. Nonetheless, general consensus exists that organisations pursuing flexibility need proactive employees who are involved and committed and who contribute new ideas and well developed sense of responsibility. The emerging view of the proactive employee implies taking into consideration employees' features as a whole, rather than only considering particular aspects of the individual that are necessary to perform specific tasks. Employees in modern organisations face the challenge of going beyond traditional job requirements, for example in terms of productivity by showing different extra role behavior, such as leadership competences or initiative. The emphasis on teamwork also contribute to these new performance standards, as well as additional abilities such as interpersonal skills and social intelligence are required when employee work together in the achievement of the common organisational goals (Ilgen and Pulakos, 1999).

The integration of technology affects employee performance and influences the process of performance evaluation and performance appraisal. Technological advances supplement prior knowledge since quick access to a wide range of information diminishes the importance of recovering prior knowledge from memory (Murphy, 1999). For example, certain employees who have internet access are able to perform some tasks more efficiently

than workers who do not.

Furthermore, the introduction of e-learning in most organisations constitutes an effective training alternative that in turn improves job performance and the overall organisation performance. Technology can also enhance task complexity, for example, Automated Teller Machine (ATM) increases the complexity of the operators' tasks, thus forcing employees to continuously improve their skills and abilities at work so as to make effective use of new technologies. The diffusion of advanced technology in job task make the need to continually upgrade skills creates an opportunity to shift the focus of training systems from classroom to workplace through on-job-training (Kozlowski *et al.* 1999)

On the other hand the introduction of technology makes it difficult to assess the employee performance, as it is more complicated to disentangle the contribution of the job holder from the contribution of the technology to the proficient performance of the job tasks.

Some of the external challenges that organisations faces such as technological advancement and globalisation have enhanced customer power and organisations have to adapt and satisfy ever-changing customer needs in terms of quality, variety and service. Similarly, this 'customer victory' (Dupuy, 1999) is seen in labour-related issues. According to London and Mone (1999), customers have become a critical element in determining how employee performance is defined and assessed. According to these authors, the product is now more tangible and more dependent on the relationship between the customer and the employee, with the customer acting as the judge of the performance of the workforce and the overall organisation.

This customer driven work environment also requires the organisation to be

structured in such a way that employees can easily obtain feedback from customers on their performance. The customer is likely to point employees in the right direction as customer needs and competitive environment change (Lawler, 1996). However, the customer-based employee evaluation presents some disadvantages, as a consequence of subjective nature of customer satisfaction and judgment about employee performance and the overall organisational performance.

According to Slater and Olson (2000), the employee's interpersonal and consulting behavior required in these customer employee interactions differs from those of the past and the strengthened role of clients impose the need for employees to be sufficiently knowledgeable to understand and also respond to signals from a changing marketplace, and to be sufficiently entrepreneurial to take the risk associated with independent action.

2.6 Influence of Job Analysis and Job Description as components of employee relations strategies on organisational performance.

Job analysis and job description is the area that comprises of activities that specify the task to be executed in each job and the knowledge, skills and abilities that are necessary for its effective performance (Schneider and Konz, 1989; Gomez Mejia *et al.* 2001).

One of the main features of the current conception of work is the growing rejection of the job as the basic building block of organisation. The traditional view of jobs as the comprising specific accountabilities, responsibilities and activities for which each employee is responsible implies a degree of rigidity that is inappropriate towards enhancing organisational performance in dynamic environment (Campbell, 2000). Job descriptions

should instead be more fluid, general and adaptable so as to provide the organisation with greater freedom to maintain the flexibility required to successfully respond to external challenges.

Employee responsibility in the organisation and consequently, the notion of job performance has also changed, in part as a consequence of the changes in job descriptions. Employees become a competitive asset in organisations facing turbulent contingencies, with employees' performance becoming critical to the organisation's adaptability and organisation's overall performance (Lawler, 1994). This new view toward improvement of overall organisational performance contrasts with older conceptions of employee performance at work, exclusively centred on pre-determined aspects of the employee necessary for the effective performance of their assigned tasks (Campbell, 2000).

According to Lawler (1994), there should be a move towards a competence-based job description, thus, organisations should focus on individuals and their capabilities in order to define jobs so as to improve organisational performance. Instead of thinking of people as having a job description, it may be more appropriate to think of them as human resources that work for an organisation. This new conception of jobs has been reinforced by an increasing emphasis on empowerment and autonomy that stipulate employees' self-management and responsibility for their own performance towards the improvement of the overall organisational performance.

Job enrichment is another main feature of job description and job analysis that eliminates the worst aspects of routinised work and by provides an intrinsically satisfying work (Wood and Albanese, 1995). Job enrichment refers to the organisation's provision of

meaningful jobs, and to the enhancement of the employees' level of responsibility at work (Drach-Zahavy, 2004). The aim of this configuration is utilize human resources to the full by providing high quality challenging jobs for high caliber staff that contrasts with rigid Taylorists systems of narrow job specifications and limited employee autonomy (Guest, 1987; Edwards and Wright, 2001). Job enrichment entails that jobs are meaningful, provide employees with autonomy, control and allow for adequate feedback leading to improved overall organisational performance.

2.7 Influence of Reward as a component of employee relations strategies organisational performance.

Reward management is linked to a set of related terms such as pay, wages, salaries, remuneration or compensation. Its importance derives from the fact that rewards help the organisation to achieve its goals and objectives by affecting employee motivation and commitment (Beer et al. 1984; Armstrong and Murlis, 1994). Rewards can be broadly grouped into two categories namely extrinsic and intrinsic rewards. Extrinsic rewards represent tangible expressions of the employer's side of the contract with employees in return for their contributions of time, efforts and skills. Intrinsic rewards are intangible and include status, recognition and career development, among others (Lundy and Cowling, 1996).

Traditional human resource strategies assume that employees have an appropriate pool of skills and abilities that they can fully utilize at work. However, employees need to be motivated to effectively contribute to organisational success. The provision of monetary and non-monetary rewards is perceived by employees as fair (Takeuchi *et al*, 2004). As

Applebaum *et al* (2000) suggest, employee relations strategy include many features that are likely to affect the organisational justice perceptions of the workforce. On the other hand, employee relations strategy contributes to generating a sense of procedural equality, by determining rewards according to the result of employee performance evaluations. When decisions about employee rewards or internal promotions are based on the results of their work, employees perceive that the means used to determine those outcomes are fair. As Cobb *et al.* (1995) states, performance appraisal systems and compensation based on merit have become almost synonymous with the idea of fairness in the organisation, which contributes to motivating employees. On the other hand, employee relations strategy promulgates equitable rewards (both internally and externally), which lead to employees' perception of a match between the inputs and outcomes that they perceive in relation to those of relevant others (Lam *et al.*, 2002; Paterson *et al.*, 2002)

Workplace motivation can be defined as the influence that makes employees do things to achieve organizational goals: this is a result of employees' individual needs being satisfied (or met) so that they are motivated to complete organisational tasks effectively. As these needs vary from person to person, an organisation must be able to utilize different motivational tools to encourage their employees to put in the required effort and increase productivity for the company and to improve the overall organisational performance. Why do we need motivated employees? The answer is survival. In our changing workplace and competitive market environments, motivated employees and their contributions are the necessary currency for an organisation's survival and success. Motivational factors in an organisational context include working environment, job characteristics, and appropriate

organisational reward system and so on.

The development of an appropriate organisational reward system is probably one of the strongest motivational factors. This can influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance (Hickins, 1998). To be effective, an organisational reward system should be based on sound understanding of the motivation of people at work.

Gain-sharing programs generally refer to incentive plans that involve employees in a common effort to improve organisational performance, and are based on the concept that the resulting incremental economic gains are shared among employees and the company. In most cases, workers voluntarily participate in management to accept responsibility for major reforms. This type of pay is based on factors directly under a worker's control (i.e., productivity or costs). Gains are measured and distributions are made frequently through a predetermined formula. Because this pay is only implemented when gains are achieved, gain-sharing plans do not adversely affect company costs (Paulsen, 1991). In order for a gain-sharing program that meets the minimum requirements for success to be in place, Paulsen (1991) and Boyett (1988) have suggested a few pointers in the effective management of a gain-sharing program. First, a manager must ensure that the people who will be participating in the plan are influencing the performance measured by the gain-sharing formula in a significant way by changes in their day-to-day behavior. The main idea of the gain sharing is

to motivate members to increase productivity through their behavioral changes and working attitudes. If the increase in the performance measurement was due to external factors, then it would have defeated the purpose of having a gain-sharing program.

Secondly, an effective manager must ensure that the gain-sharing targets are challenging but legitimate and attainable. In addition, the targets should be specific and challenging but reasonable and justifiable given the historical performance, the business strategy and the competitive environment. If the gain-sharing participants perceive the target as impossibility and are not motivated at all, the whole program will be a disaster.

In addition, the manager must provide useful feedback as guidance to the gain-sharing participants concerning how they need to change their behaviors to realize gain-sharing payouts. The feedback should be frequent, objective and clearly based on the members' performance in relation to the gain-sharing target. Finally, the manager must have an effective mechanism in place to allow gain-sharing participants to initiate changes in work procedures and methods and/or requesting new or additional resources such as new technology to improve performance and realize gains. Though a manager must have a tight control of company's resources, reasonable and justifiable requests for additional resources and/or changes in work methods from gain-sharing participants should be considered.

2.8 Theoretical Framework

The study was guided by Human Relations Theory introduced in 1933 by Elton Mayo. Elton Mayo is generally seen as the founder of Industrial Sociology and the Human Relations School of business organisation. His research on groups and behaviour in work has

had direct implications for management of organisations and for sociology. He studied a spinning mill in Philadelphia and the Hawthorne works of the Western Electric Company in Chicago.

His research was initially straightforward and practical. The spinning mill in one department had a labour turnover of 250% compared with an average of 6% for all the other departments. Both rest periods and workers' involvement in fixing this increased morale and reduced labour turnover. After a year the spinning mill was with the average at 6%. His conclusion was instrumentalist in that it was put down to the mentally refreshing nature of the rest breaks.

The Hawthorne Experiment carried out between 1927 and 1932 changed this view. Before Elton Mayo began there were experiments comparing two groups, one where lighting conditions were held static and one where lighting conditions were varied. Both groups increased output. In the Relay Assembly Test Room six female workers, who assembled telephone relays, were segregated out. Over five years changes were made and they were monitored for production and morale. Examples within ten changes were a special group incentive scheme instead of being linked with one hundred other operatives, rest pauses altered in length and frequency, shorter hours and refreshments. Now there was always full discussion and consultation about the changes. No matter what happened, output increased each time.

When, with consolation, the conditions went back to a 48 hour six day week without incentives, rest breaks and refreshments output reached a maximum. So, obviously, this had nothing to do with the material conditions and an instrumental explanation could not be

sustained. What mattered was that the six had been consulted: they had a sense of freedom and control over the work rate: they were a self-referential interacting group: and the women in their cohesion and decision making were in effect rewarding the researchers for their interest in them with what they considered were desired increases in output.

For some time this baffled the researchers and everyone else. There were systematic interviews which revealed much about attitudes and little about working conditions. The workers had emotional responses to what the management did. Mayo called this the logic of sentiment held by the workers whilst the management focused on the logic of cost and efficiency. They were clearly at cross purposes in terms of approach and response. The researchers however, in their consultations and giving the workers a sense of self-importance, had in their method stumbled across more of a meeting of minds. If they were part of the management, it was management that reached the logic of sentiment, as it was called.

Then the later called Bank Wiring Observation Room came under constant observation without any experimental inputs. These workers did the opposite, a group which held back their production and where no individual fell out of line. They did not respond to financial incentives. Basically, they collectively resisted the managers. However, again, this was an informal social group deciding its response. So was Elton Mayo's explanation: that a principal unit of worker organisation is informal, and that this transcends individual self interest. The individualism of economics is wrong. Certainly satisfaction in the workplace comes from the informal social pattern mixed with the interest placed in them. The female workers assembling telephone relays felt important. The actual work conditions were not important in comparison. Equally the informal social group can resist dictats from on high

with their cost and profit rationale.

It goes much further. This form of co-operative organising (this is the sociological bit) might replace the decline in traditional values. So good purposeful management is not only going to increase efficiency and output, but through organising spontaneous cooperation can prevent any breakdown of society. Traditional attachments to community and family can be replaced by good work organisation which aims to reduce conflict, competition and disagreement. This meant spontaneous co-operation and was the heart of Mayo's Human Relations movement. The sociology of this is a critique of the alienation of modern work society especially in comparison with rural society. Mayo wants something of the rural society that valued work and association into modern urban industrial settings, and the small group in the work place was the way to do it.

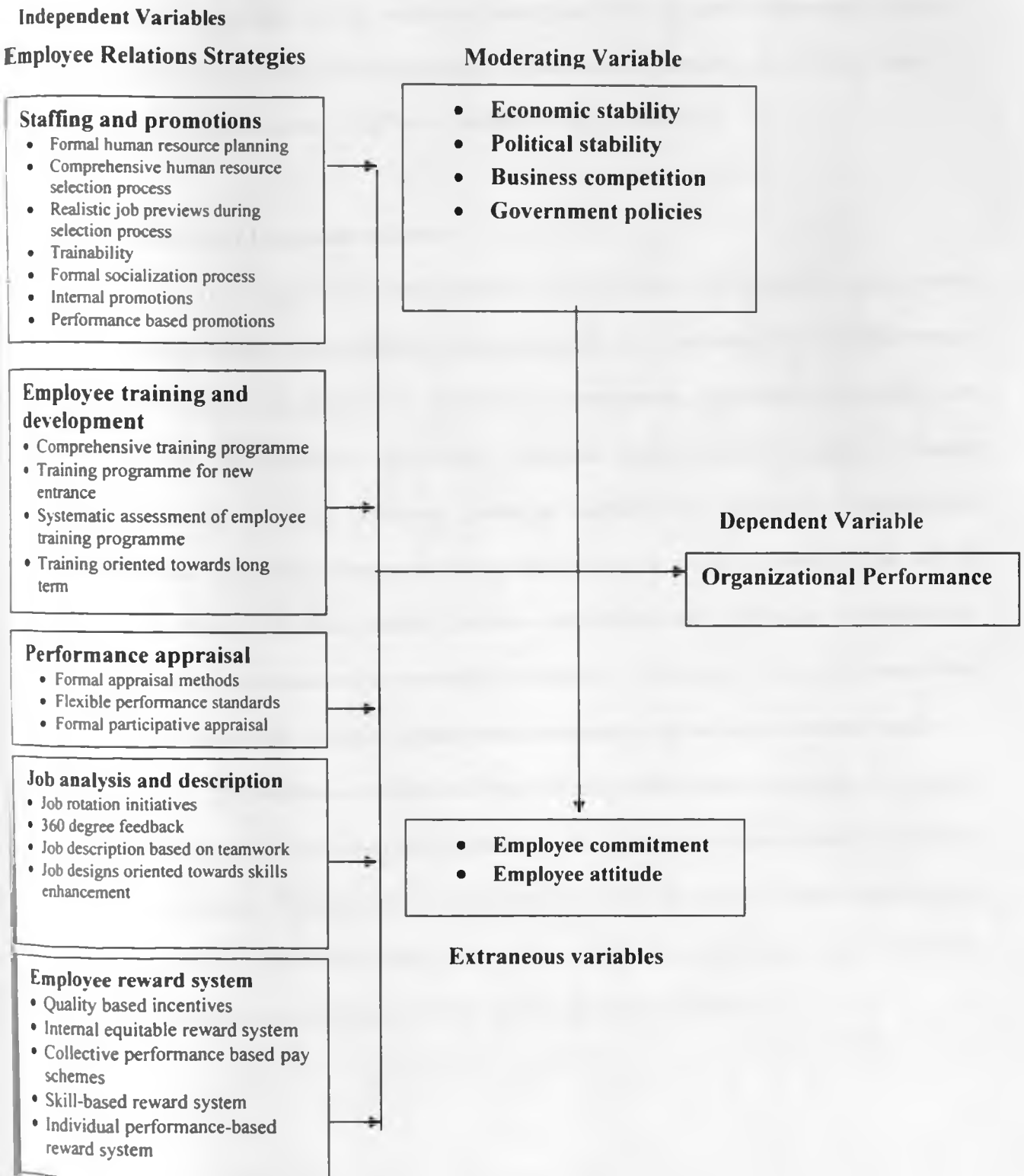
The informal group is the key working centre. Human relations authority is in effect decentralized, and communication must go from the workers in their groups to the management. Authority rests in the workers to accept management. If that authority is given, then workers are more productive. If management is rejected, output is restricted. One way of achieving higher output is through what is today called empowerment, or good communication and involvement of the workers in a consultation process and in team working that shares real responsibility.

The human relations theory was best suited for the study because it is addressing employee empowerment, communication, employee involvement, reward systems and management decisions and therefore formed the basis of the perceived conceptual framework as shown in the figure below.

2.9 The conceptual framework

A conceptual framework is a model presentation where a researcher represents the relationships between variables in the study and shows the relationship diagrammatically. this gives an overview of the relationship between the variables and their relevance between employee relations strategies and organizational performance. In the conceptual frame work below, the independent variable is organizational performance while dependent variables are staffing and promotions, training and development, performance appraisal, job analysis and description and finally reward (employee relations strategies).

Fig 2.1: Conceptual Framework



In the above conceptual framework, the components of employee relations strategies

such as staffing and promotions, employee training and development, performance appraisal, job analysis and description and reward are complimented by employee commitment and attitude which are expected to influence organizational performance.

2.10 Summary of Literature reviewed

This chapter reviewed literature related to employee relations strategies both globally and locally. The employee relations strategies were reviewed into five components namely: staffing and promotions, training and development, performance appraisal, job analysis and job description and finally employee reward system. Literature reviewed revealed that employee relations strategies significantly influence organisational performance. The literature reviewed also revealed that there are environment factors such as political stability, economic stability, business competition and government policies which influence the performance of an enterprise. In addition, the reviewed literature revealed that employee attitude and employee commitment are central to the success of an organisation.

The intention of the research was to find out the extent of influence of employee relations strategies on organisational performance and to detect the gaps present in employee relations strategies implemented in Kenya and how to fill the gaps with related studies from other parts of the world and finally, to recommend key areas for further research to enable organisations become not only profitable but also employers of choice.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter describes the research methodology that was employed in carrying out the study. It outlines research design, target population, sample size, sampling procedure, research instruments, validity and reliability of instruments, data collection procedure, data analysis, and ethical consideration.

3.2 Research Design

The study adopted a descriptive survey design. This design was suitable for this study because it was conducted for a short period of time. According to Kothari (2004), this research design is an arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy of procedure. The design also answered the research questions more appropriately. Descriptive survey studies are those that are concerned with describing the characteristic of a particular individual or of a group (Kothari, 2004.) By involving a broad category of employees, the study fitted within the cross-sectional sub-type of descriptive survey study design. The design was also relevant for this study because it is the most widely used technique to gather information that describes the nature and extent a specified set of data ranging from the physical counts and frequencies (Oso and Onen, 2005.)

3.3 Target Population.

The study was conducted at Kenya Commercial Bank Ltd-Kisumu Branch. The study targeted managers, supervisors, clerical and subordinate staff of Kenya Commercial Bank Ltd-Kisumu Branch. According to KCB human resource department, there are a total of 60 permanent employees stationed at Kisumu branch. This number is composed of 9 managers, 13 supervisors, 34 clerical staff and 4 subordinate staff. All the 60 members of staff at KCB Kisumu branch were targeted for the purpose of this study.

3.4 Sample size and Sample selection

Sample size is the finite part of a statistical population whose properties are studied to gain information about the whole population (Welman and Kruger, 2001.) According to Babbie (2004), working with a sample reduces the length of time needed to complete a research, cuts the cost of the research, is manageable and is almost a mirror of the target population.

3.4.1 Sample Size

The sample of the study was drawn from the 60 permanent staff at KCB Kisumu branch. A total of 60 employees were targeted as respondents for the study as the population size is small; this is the number of employees stationed at KCB Kisumu branch according to the KCB human resources department report.

3.4.2 Sample Selection

According to Mugenga, Mugenda 2009 when the sample population is smaller than 100 the whole population is therefore sampled, all the 60 permanent employees stationed at

KCB Kisumu branch were therefore selected as respondents for the study. According to Amin (2005), sampling is a process of selecting from accessible population in such a way that the subjects selected represent the population on which the result of the investigation can be generalized. According to Kothari (2004), when the universe is small the whole population is sampled. The sample technique used was purposive sampling technique; this technique is used when the researcher purposely targets a group of respondents believed to be reliable for the study. It is particularly relevant when the researcher is concerned with exploring the universe and understanding the audience.

3.5 Research Instruments

The primary data was collected from respondent using structured questionnaire that was administered to managers, supervisors, clerical and subordinate staff. According to American Heritage Dictionary, a questionnaire is a form containing a set of questions: especially one addressed to a statistically significant number of subjects as a way of gathering information for a survey. The selection of the instrument for data collection in the study was guided by objectives of the study, nature of data to be collected and the time available to collect and analyze the data.

Section one of the questionnaire captured the socio-demographic information about the respondents. It captured information on respondent's age, gender, level of education, designation and duration of employment at KCB-Kisumu branch. Section two asked questions regarding the first objective which sort to find out how staffing and promotions as components of employee relations strategies influences organizational performance. section

three asked questions regarding the second objective which sort to find out how employee training and development as components of employee relations strategies influences organizational performance. section four asked questions regarding the third objective which sort to find out how performance appraisal as components of employee relations strategies influences organizational performance. section five asked questions regarding the fourth objective which sort to find out how job analysis and description as components of employee relations strategies influences organizational performance and lastly section six asked questions regarding the fifth objective which sort to find out how reward as components of employee relations strategies influences organizational performance at Kenya Commercial Bank Kisumu branch.

3.5.1 Pilot Testing

A pilot study of the instrument was conducted in at Kenya Commercial Bank United Mall Branch which was purposively sampled. The Bank is outside the study area and have similar characteristics with the target population. 10 respondents from KCB United Mall branch were used in the pilot test. The ten respondents were derived from all the employees of KCB United Mall branch. According to Mugenda and Mugenda (1999), pilot testing help refine research instrument. This enabled identification of possible weaknesses of the instrument. The questionnaires were administered by research assistants under supervision of the researcher.

3.5.2 Validity of Research Instruments

According to Mugenda & Mugenda (2003), Validity is the accuracy and meaningfulness of inferences, which are based on the research results. Research experts

comprising of university supervisors scrutinized the instrument to assess the appropriateness of the questions and their relevance in answering study questions. The instrument was subjected to peer review whereby the restructuring of questions and language was assessed and reviewed, all the relevant changes towards validity so as to ensure that right information is obtained from respondents were effected.

3.5.3 Reliability of Research Instruments

To ensure reliability, the research instruments were pre-tested on 10 respondents from KCB United Mall branch. The pilot study was to determine the instruments reliability that is, their dependability, accuracy and adequacy. KCB United Mall branch was selected for the pre-testing process to ensure that respondents from KCB Kisumu Branch are not subjected to pre-test process. After the pre-testing process, a re-test was then done to ensure the instrument was reliable. According to Cooper and Schindler (1998), reliability refers to being able to secure consistent results with repeated measures of the same persons with same instruments. Reliability in true research is influenced by random error. Random error is the deviation from true measure due to factors that have not been effectively addressed by the researcher.

Reliability of the questionnaire was tested using the empirical procedure of split-half. In computing split-half reliability, the pre-test questionnaire items were divided into two halves and then each half scored independently of the other using the Pearson r formula.

$$R(\text{Split-half}) = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{[N\sum X^2 - (\sum X)^2] (N\sum Y^2)}}$$

Where: X= odd scores Y= even scores

$\sum X$ = Sum of X scores

$\sum Y$ = Sum of Y scores

$\sum X^2$ = Sum of squares of X scores

$\sum Y^2$ = Sum of squares of Y scores

$\sum XY$ = Sum of product of X scores and Y scores

N = Sum of paired scores

r = Correlation coefficient of halves

The correlation coefficient (r) of halves were correlated by Brown prophecy (Re) is SPPS to yield a correlation coefficient. For this study a reliability of 0.75 was accepted.

3.6 Data collection Procedure

The researcher obtained a research permit and letter of authority to conduct the research from the National Council of Science and Technology in Nairobi after presenting them with requirements which included two copies of an approved research proposal. These documents were presented to the District Commissioner's office. The researcher also obtained a written authority to conduct the research within KCB Kisumu branch from the Branch Manager KCB Kisumu branch. The study used questionnaires as the main tool of collecting data from the 60 employees of KCB Kisumu branch. The researcher visited the research station in person for purpose of introduction, familiarization, distribution, administration and collection of data. The researcher delivered and called later to collect the questionnaires. All completed questionnaires were collected within two weeks.

3.7 Data Analysis Techniques.

Data analysis describes related operations which are performed to summarize collected data and organize them in a manner that they answer research questions (According to Bryman and Cramer 1999). Data was edited for completeness and consistency. The qualitative data was coded and classified for easy analysis. Data was analyzed using Statistical Package for Social Science (S.P.S.S) version 12. Descriptive statistics, including frequencies, percentages and proportions were calculated for demographic information. Bivariate statistics (cross tabulation) was done to assess the relative impact of co-management in beaches of Mbita on the predictor variables. The outcome variables were then compared to the socio demographic characteristics of the sample. The data was presented in tables.

3.8 Ethical Considerations

The study considered authority from the National Council of Science and Technology to conduct research and all the ethical aspects of research including informed consent of respondents to participate in the research, anonymity, privacy and confidentiality. An assurance was given to the respondents and that the information provided will not be used against them and codes were used in the place of their names to address all the fears. The study report was taken to the University library for future reference and the Kenya Commercial Bank Limited library for its recommendations to be considered in employee relations strategies.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION, INTERPRETATIONS AND DISCUSSION

4.1 Introduction

This chapter looks at questionnaire response rate, results on demographic characteristics of respondents, aspects of staffing and promotion, training and development, performance appraisal, job analysis and job description and reward as components of employee relations strategy and the influence of these components in organization performance taking a case of Kenya Commercial Bank Kisumu Branch.

4.2 Questionnaire response rate

A total of 60 questionnaires were administered and 55 questionnaires were returned for analysis yielding a response rate of 91.67%. This response rate was achieved as a result of proper co-ordination with the bank officials and adequate information on the importance and purpose of the study.

4.3 Demographic characteristics of the respondents

This section presents the demographic characteristics of the respondents involved in the study. The demographic characteristics included, gender, age, department in which the employees work, academic qualifications, number of years the employees have worked in the bank and current position of the employees.

4.3.1 Distribution of the respondents by gender

The study found very important to understand the gender distribution of respondents. This is important since it could provide background for analysis of employee relations influence on organizations performance. For this purpose the respondents were asked to state their gender and the results were presented in table 4.1.

Table 4.1: Distribution of the staff by gender

According to Energex (2007), employee relations create a climate that supports workforce safety, workforce capability, staff engagement and high performance customer service culture. The following table presents analysis of staff by gender.

Gender of staff	Frequency (f)	Percent (%)
Male	33	60.00
Female	22	40.00
Total	55	100

The table shows that 33 (60%) comprising the majority of the respondents were male. This implies that most of the employees of KCB Kisumu are males. These results show that there was gender imbalance at KCB Kisumu. To create an environment of constructive workplace relationships requires a commitment to working with employees of all genders, managers and unions to take all reasonable steps to resolve issues (Energex, 2007). For this to effectively happen it is imperative that human resource practices should consider gender balance in their hiring practices.

4.3.2 Distribution of the respondents by age category

This section presents the distribution of the respondents by age category as mentioned during the study by the respondents. A positive employee relations environment requires that all employees demonstrate positive leadership behaviour. This will contribute to the proactive and timely resolution of employee relations issues Bonache (2000). For such behaviors to be developed at the workplace it is important that the more experienced elderly people assume leadership roles to model the attitudes of the younger employees and impart desired values in them. The table 4.2 presents findings of the distribution of the respondents by their ages.

Table 4.2 Distribution of the respondents by age category

Age category	Frequency (f)	Percent (%)
20-30 years	21	38.18
31-40 years	20	36.36
Over 40 years	14	25.45
Total	55	100

Table 4.2 shows that 21 (38.18%) of the respondents were aged between 20-30 years, 20 (36.36%) were aged between 31-40 years while 14 (25.45%) were over 40 years. This implies that majority of the employees of KCB Kisumu are below 40 years of age. However it is clear that the older generation above 40 years constitute 14% of the total population. The need to support and enable communication between managers and employees and

recognition that openly sharing ideas and information generally results in better outcomes through shared ownership and shrewd leadership backed by experience Murphey (1999). The implication from the results depicts a balance in the ages of workers employed at KCB, Kisumu branch.

4.3.3 Distribution of the respondents by department

This section presents the distribution of the respondents by department. Spreading employee relations change across individual organizational departments is the more effective strategy in this research. When employee relations representative are easily accessible, employees tend to feel safer and informed hence improved performance (Wood, 1999). A presentation of findings on distribution of employees by departments is below:

Table 4.3 Distribution of the respondents by department

Respondents department of work	Frequency (f)	Percent (%)
Administration	10	18.18
Business banking	6	10.91
Cash	8	14.55
Credit	6	10.91
Customer care	6	10.91
Operations	6	10.91
Retail banking	6	10.91
Sales	7	12.73
Total	55	100

Out of the 55 respondents who participated in the study 10 (18.18%) of the respondents were from administration, 6 (10.91) worked in the business banking section, 8 (14.55%) worked in the cash handling section, 6 (10.91) were from the credit section, customer care, operations and retail banking each while 7 (12.73%) worked in sales. This implies that majority of the employees at KCB Kisumu are in the administration department that includes the management that is actively involved with the human resource functions. Sometimes employees lost their voice as existing mechanisms and channels were very weak and the high rate of unemployment and weak job security discouraged employees from expressing their dissatisfaction with the working environment for fear of management retaliation (Mohamed et al, 2006). When adequate staff are put in place to manage employee issues within an organization and report the issues to the relevant authorities there is bound to be improvement in organizational performance.

4.3.4 Distribution of the respondents by academic qualification

The researcher found it necessary to determine the academic qualifications of the respondents and the results of the findings are presented in this section. Organizational effectiveness results to positive organization performance. People who are well educated and qualified understand their employee relations and appreciate the role such relation strategies play in helping stimulate the performance of employees at work. The following table presents finding of the distribution of respondents by academic qualification.

Table 4.4 Distribution of the respondents by academic qualifications

<u>Academic qualification</u>	<u>Frequency (f)</u>	<u>Percent (%)</u>
Secondary school	3	5.45
A level	2	3.64
Tertiary/middle college	11	20.00
Undergraduate university degree	31	56.36
Postgraduate university degree	8	14.55
Total	55	100

Table 4.4 shows that majority of the respondents have undergraduate university degree 31 (56.36%), followed by tertiary/ middle colleges graduates 11 (20%) then postgraduate university graduates 8(14.55%). secondary school graduates 3 (5.45%) and a level graduates 2 (3.64%).

4.3.5 Distribution of the respondents by number of years worked at KCB Kisumu

This section presents the distribution of the respondents based on the number of years worked at KCB Kisumu branch. Employees who have worked for longer periods within an organization tend to understand matters related to employee relations in comparison to work output. Organizational performance is a broad concept that has been used synonymously with productivity, efficiency, effectiveness and competition. The number of years an employee has worked in an organization is a factor that may influence his or her individual performance there by influencing general organizational performance.

Table 4.5 Distribution of the respondents by number of years worked at KCB Kisumu

Number of years worked	Frequency (f)	Percent (%)
Less than 1 year	7	12.73
1-5 years	20	36.36
6-10 years	13	23.64
Over 10 years	15	27.27
Total	57	100.00

Table 4.5 shows that out of 57 respondents, 20 (36.36%) of the respondents have worked at KCB for between 1-5 years followed by those who have worked for more than 10 years 15 (27.27%) then 6-10 years 13 (23.64%) and lastly those who have worked for less than 1 year 7 (12.73%). The analysis indicates that more employees have worked for over 5 years indicating a low staff turnover. This could be an indication that the employee relations are good and have enhance organizational performance thereby reducing the employee turnover.

4.3.5 Distribution of the respondents by current position at KCB Kisumu

This section presents the distribution of the employees by current position held at KCB Kisumu branch.

Table 4.6 Distribution of the respondents by current position at KCB Kisumu

Current position	Frequency	Percent
	(f)	(%)
Manager	9	16.36
Clerk	29	52.73
Supervisor	13	23.64
Subordinate staff	4	7.27
Total	55	100.00

Table 4.6 shows that out of 55 respondents, 29 (52.73%) of the respondents are clerks, 13 (23.64%) are supervisors, 9 (16.36%) are managers while 4 (7.27%) are subordinate staff. This implies that majority of employees at KCB Kisumu are clerks providing an indication that most of the staff are medium level employees who have tendencies to involve more in matters pertaining to their interests in the organizations with a desire to rise in their job positions and their pay packages.

4.4 The influence of staffing and promotions as components of employee relations strategies on organizational performance.

The employment relationship is stable and employees can get promoted inside the organization. This practice aims to attract and retain the employees who have high loyalty, because they are the advantage of the organization in competition. Therefore, the effectiveness of compensation affects the attraction of talents, while the talents will influence

its strategic decision and enhance its competitive advantage. The effective structure, level, management of compensation and the welfare are the primary factors of attracting, retaining and driving staff, enhancing the satisfaction degree of staff (JiangHong and Jiansuo, 2008). This section presents the findings on the influence of staffing and promotions as components of employee strategies on organizational performance. The specific parameters for analysis are the use of formal human resource planning, human resource comprehensive selection process, realistic job previews during recruitment, the use of trainability as a selection process, formal socialization process for new employees, internal promotions and performance based promotions. Questions asking whether there have been staffing and promotions in the department for the last one year were used as indicators for staffing and promotions in KCB Kisumu branch.

4.4.1: How the use of formal human resource planning contributed to organizational performance.

4.4.1.1: Rating of the use of formal human resource planning in your organization.

According to Van Clieaf (1992), the need to map and match specific executive perspectives and competencies to the future needs of the business is required if executive search and executive resource planning are to become strategic management tools. New approaches are needed if executive search and executive resource planning are to become levers for enhancing organizational performance. For example, the common practice of raiding direct competitors for executive talent to fill a key position may be counterproductive because the perspectives and competencies required at a competitor's firm may be totally

different from the goals and needs of another organization Van Clieaf (1992).

In order to determine how effective the formal human resource planning is in the organization, the respondents were asked to rate the use of formal human resource planning at KC Kisumu branch and the results were presented in table 4.7.

Table 4.7: Rating of the use of formal human resource planning in your organization

Responses to the use of formal human resource planning in your organization	Frequency (f)	Percent (%)
Fair	19	34.55
Good	23	41.82
Excellent	13	23.64
Total	55	100.00

Table 4.7 shows that majority 23 (41.82%) of the respondents rated the use of formal human resource planning as good. 19 (34.55%) rated the use of formal human resource planning as fair while 13 (23.64%) rates the use of formal human resource planning as excellent. When plans are prepared, Practitioners should bear in mind that their staff members have their objective which need to achieve. This is the reason why employees seek employment. Neglecting these needs would result in poor motivation that may lead to unnecessary poor performance and even Industrial actions (Marchington et al, 1992). Planning is not as easy as one might think because it requires a concerted effort to come out with a programme that would ease your work. Commencing is complicated, but once you start and finish it you have

a smile because everything moves smoothly. Poor HR Planning and lack of it in the Organization may result in huge costs and financial losses. It may result in staff posts taking long to be filled. This augments costs and hampers effective work performance because employees are requested to work unnecessary overtime and may not put more effort due to fatigue.

4.4.1.2: The extent to which formal human resource planning contributed to organizational performance.

According to Walton (1985), the most important reason why HR Planning should be managed and implemented is the costs involved. Because costs form an important part of the Organization's budget, workforce planning enables the Organization to provide HR provision costs. In order to determine the extent to which formal human resource planning on organization performance the respondents were asked to state the extent to which it contributes to organizational performance. The results were then tabulated in table 4.8

Table 4.8: The extent to which formal human resource planning contributed to organizational performance

The extent to which formal human resource planning contributed to organization performance	Frequency (f)	Percent (%)
Poorly	1	1.82
Moderately	36	65.45
Effectively	18	32.73
Total	55	100.00

Table 4.8 shows that majority 36 (65.45%) of the respondents said that formal human resource planning moderately contributes to organizational performance. 18 (32.73%) said that it effectively contributes to organizational performance while 1 (1.82%) said that human resource planning poorly contributes to organizational performance. This implies that the use of formal human resource planning is generally good in KCB Kisumu branch and therefore makes a valuable contribution to organizations performance. Since poor planning may result in staff posts taking long to be filled, if employees overwork, it may stretch them beyond their limit and may cause unnecessary disruptions to the production of the Organization and even lead to strikes or work place unrests (Wright and Sneill, 1998).

4.4.2: The influence of human resource comprehensive selection process on organizational performance

By selecting best candidate for the required job, the organization will get quality performance of employees. Moreover, organization will face less of absenteeism and employee turnover problems. By selecting right candidate for the required job, organization will also save time and money. Proper screening of candidates takes place during selection procedure. All the potential candidates who apply for the given job are tested.

4.4.2.1 The existence of human resource comprehensive selection process in the organization.

It was in the interest of the researcher to know whether there is a comprehensive human resource selection process at KCB Kisumu branch. the respondents were therefore asked to state whether this existed in the bank and the results were presented in table 4.9

Table 4.9: The existence of human resource comprehensive selection process in the organization

The existence of human resource comprehensive selection process in the organization	Frequency (f)	Percent (%)
Yes	51	92.73
No	4	7.27
Total	55	100

Table 4.9 shows that majority 51 (92.73%) of the respondents said that comprehensive human resource selection process exists in the organization. Recruiting and selecting the right people is of paramount importance an organization.

According to (Lam et al, 2002) There should be recruitment and Selection Policy which sets out how to ensure, as far as possible, that the best people are recruited on merit and that the recruitment process is free from bias and discrimination. When employing temporary or casual staff on a short-term basis the principles of good practice outlined in the policy should be followed. These the details of a post must be publicized, selection must be on the basis of appropriate criteria and merit, a record of the process and decision must be kept and the monitoring information returned to the HR Division.

4.4.2.2: The extent to which comprehensive human resource selection process influences organizational performance

In order to determine the extent to which comprehensive human resource selection process influences organization performance the respondents were asked to state the extent to which it influences organizational performance. The results were then tabulated in table 4.10

Table 4.10: The influence of human resource comprehensive selection process on organizational performance

The influence of human resource comprehensive selection process on the organizational performance.	Frequency (f)	Percent (%)
Positively	51	92.73
Negatively	4	7.27
Total	55	100

Table 4.10 shows that majority 51 (92.73%) of the respondents said that the existence of comprehensive human resource selection process positively influence organization performance while 4 (7.27%) said that it negatively influences organization performance. From this finding it can be concluded that comprehensive human resource selection process is a key component in organization performance as it positively influence the performance.

4.4.2.3: The influence of realistic job previews during recruitment processes on organizational performance

In order to determine the extent to which realistic job previews during recruitment process influences organization performance the respondents were asked to state the extent to which it influences organizational performance. The results were then tabulated in table 4.11

Table 4.11: The influence of realistic job previews during recruitment processes on organizational performance

Responses to the influence of realistic job previews during recruitment processes on organizations performance	Frequency (f)	Percent (%)
Poorly	1	1.82
Fairly	32	58.18
Excellently	22	40.00
Total	55	100

Table 4.11 shows that majority 32 (58.18%) of the respondents said that realistic job previews during recruitment process fairly influences organization performance, 22 (40%) said it excellently influences organization performance while 1 (1.82%) said it poorly influence organization performance. The findings show that realistic job previews during selection process fairly influences organization performance and therefore organizations should ensure that this process is strengthened in their organization. Employees who feel they were given accurate descriptions are more satisfied with the company, believe the

employer stands behind them and is trustworthy, and express lower desire to change jobs than do those who feel they were not given an accurate description (Van Cleef, 1992)

4.4.3: The influence of the use trainability as a selection criterion in the organizations performance

4.4.4.1: The organizations use of trainability as a selection process

It is essential to improve and upgrade the calibre of human resources in any organization right from selection since this will determine the character and effectiveness of an organization's system. In order to know if the organization uses trainability as a selection process, the respondents were asked to state whether their organization uses this concept and the results were tabulated in table 4.12

Table 4.12: The organizations use of trainability as a selection process

Responses to organization's use of trainability as a selection process	Frequency (f)	Percent (f)
Yes	54	98.18
No	1	1.82
Total	55	100

Table 4.12 shows that majority 54 (98.18%) of the respondents said that trainability as a selection process is used in KCB Kisumu. According to (Lam et al, 2002), HRM is not a function to conduct all the interviews today, the main role of Human Resources is to make

the recruitment process more attractive and competitive on the job market there for even assessing the trainability of candidate for the position advertised.

4.4.4.2: The influence of the use trainability as a selection criterion on organizational performance

The study found it of great importance to access whether the use of trainability as a selection criterion influences organization performance. A cross tab was therefore done between the use trainability as a selection criterion and staffing and promotions to ascertain this fact. the results were tabulated in table 4.13.

Table 4.13: The influence of the use trainability as a selection criterion on organizational performance

Responses to the influence of the use trainability as a selection criterion on organizational performance	Frequency (f)	Percent (%)
Positively	54	98.18
Negatively	1	1.82
Total	55	100

Table 4.13 shows that majority 54 (98.18%) said that the use trainability as a selection criterion positively influences organization performance while only 1 (1.82%) said that it negatively influences organization performance. This implies that trainability as a selection process positively influences organization performance. This can be compared to Rees and Doran, (2001) who found out that staffing practices play a crucial role in identifying people

whose skills, abilities and knowledge make effective contribution to the achievement of organizational goals.

4.4.4.3: The influence of formal socialization process for new employees on organizational performance

The researcher wanted to know the extent to which formal socialization process for employees influence organization performance. it is in this regard that the respondents were asked to state how formal socialization process for employees influence organization performance and the results were tabulated in table 4.14

Table 4.14: The influence of formal socialization process for new employees on organizational performance

The influence of formal socialization process for new employees on organizational performance	Frequency (f)	Percent (%)
Insignificantly	5	9.09
Moderately	32	58.18
Significantly	18	32.73
Total	55	100

Table 4.14 shows that majority 32 (58.18%) of the respondents said that formal socialization process for employees influence organization performance moderately influences organization performance, 18 (32.73%) said it significantly influences organization performance while 5 (9.09%) said it insignificantly influences organization performance.

This therefore concludes that formal socialization process moderately influences organization performance.

4.4.4: The influence of internal promotions on organizational performance

It was in the interest of the researcher to know if internal promotions affect organization performance, the respondents were therefore asked to state the extent to which internal promotions affect organization performance. The results were tabulated in table 4.15

Table 4.15: The influence of internal promotions on organizational performance

The influence of internal promotions on organizational performance	Frequency (f)	Percent (%)
Sometimes	13	23.64
Regularly	30	54.55
Always	12	21.82
Total	55	100

Table 4.15 shows that 30 (54.55%), 13 (23.64%), 12 (21.82%) said that internal promotions regularly influence organization performance, sometimes influence organization performance and always influence organization performance respectively. This therefore implies that internal promotions regularly influence organization performance. This finding can be compared to (Arthur, 1994; Delery and Doty, 1996; MacDuffie and Kochan, 1995) who found out that employee relations strategy regarding the internal fit, the configurative

perspective, emphasizes the need to adopt coherent systems or bundles of high commitment practices which is an aspect of internal promotions.

4.4.5: The influence of performance-based promotions on organizational performance

It was in the interest of the researcher to know if performance-based promotions affect organization performance, the respondents were therefore asked to state the extent to which performance-based promotions affect organization performance

Table 4.16: The influence of performance-based promotions on organizational performance

The influence of performance-based promotions on organizational performance	Frequency	Percent
Sometimes	16	29.09
Regularly	23	41.82
Always	16	29.09
Total	55	100

Table 4.16 shows that 23 (41.82%), 16 (29.09%), 16 (29.09%) said that performance-based promotions regularly influence organization performance, sometimes influence organization performance and always influence organization performance respectively. This therefore means that performance based promotions regularly influences organization performance. This result can be compared to the findings of (London and Mone, 1999) who found out that job performance indicators also include the employees' ability to keep up with changing skill

requirements at work which translates into promotion

4.5 The influence of employee training and development as components of employee relations strategies on organizational performance.

In the changing phase and challenges of today's business, industry has prove its worth for staff training and development in an organizational performance to be able to meet the demand of their customers, facing the competition and the opportunities that lies beyond their scope. Therefore training of individual staff according to their position and expertise is to be measured as a means for overall performance of such organization to grow Howard (1995). This section presents the findings on the influence of employee training as components of employee strategies on organizational performance. The specific parameters for analysis are comprehensive training activities, training programs for new entrance, the use of systematic assessment of employee training activities and training efficacy and training oriented towards the long term. Questions asking whether the organization offered training as part of employee development were used as an indicators for training and development in KCB Kisumu branch.

The results from the research showed that all respondents 55 (100%) said that the organization offer training as part of employee development.

4.5.1: The influence of comprehensive training programmes on organizational performance

The researcher wanted to find out if there existed comprehensive training activities and the influence of this on organization performance. Personality development training for staff is essential for individual growth to represent the organizational efficiency of their

company to the public and to perform their social and internal responsibility to maintain their employee's dignified position Harison (1989). The respondents were therefore asked to state how comprehensive training programmes influence organization performance and the results were then tabulated in table 4.17

Table 4.17: The influence of comprehensive training programmes on organizational performance

Responses to the influence of comprehensive training programmes	Frequency (f)	Percent (%)
Poorly	2	3.64
Fairly	17	30.91
Significantly	36	65.45
Total	55	100

The table shows that 2 (3.64%) of the respondents said that comprehensive training programmes poorly influences organization performance, 17 (30.91%) said it fairly influence organization performance while 36 (65.45%) of the respondents said that comprehensive training programmes significantly influences organization performance. This implies that comprehensive training programmes are very important and significantly influences organization performance. According to Camelo et al (2004), the Human Resource Management is responsible to identify and establish the training process through clear and concise ideas. Accordingly globalization revolution benchmark most of the training to prepare their staff through competition and reliable employees customer service and manpower to strengthen the individual competence, thus employs an organizational enhanced

performance that should be the effect of most training.

4.5.2: The influence of employee training programmes for new entrants on organizational performance

When a company is newly established the training of new personnel and staff is highly critical since they will be the foundation of this new business Camelo et al (2004). This is important even for established companies recruiting new staff. In order to determine whether employee training programmes for new entrance influences organization performance, the researcher asked the respondents to state how employee training for new employees influences organization performance. The results are presented in the following table;

Table 4.18: The influence of employee training programmes for new entrants on the organizational performance

Responses to the influence of employee training programmes for new entrants on organizational performance	Frequency (f)	Percent (%)
Never	1	1.82
Sometimes	23	41.82
Always	31	56.36
Total	55	100

Table 4.18 shows that 1 (1.82%), 23 (41.82%), 31 (56.36%) of the respondents said that employee training for new entrance never, sometimes and always influences organization performance respectively. This implies that for an organization to perform better, it needs to

put in place employee training for new entrance as it always influences organization performance. Sometimes staff and employees needs a bit of push and shakes to perform well. It is not enough to hire the best personnel at the start and later rust their position in such manner. But the personnel who are always trained for growth and development will somehow further do more even if they are just ordinary performers from the start. Men are dynamic in nature but they need to be trained and developed (Tolbot and Ellis, 1990)

4.5.3: The influence of the use of systematic assessment of employee training activities and training efficacy on organizational performance

In order to determine whether systematic assessment of employee training activities influences organization performance, the researcher asked the respondents to state how systematic assessment of employee training activities influences organization performance. The results were tabulated in table 4.19 as below:

Table 4.19: The influence of the use of systematic assessment of employee training activities and training efficiency on organizational performance

Responses to the use of systematic assessment of employee training activities and training efficiency on organizational performance	Frequency (f)	Percent (%)
Poorly	1	1.82
Fairly	29	52.73
Significantly	25	45.45
Total	55	100

Table 4.19 shows that 1 (1.82%), 29 (52.73%), 25 (45.45%) of the respondents said that the use of systematic assessment of employee training and training efficacy influences organizations performance poorly, fairly and significantly respectively. This implies that systematic assessment of employee training and training efficacy does not have a big impact on organizations performance at KCB Kisumu branch. However it has a significant impact as only one employee answered this question on the negative. According to (Tyson and York, 2000), for training activities in an organization to have a positive impact on it, a needs assessment has to be carried out yet the influence of such programmes need to be closely monitored and evaluated in order to establish whether they are effective for the organization

4.5.4: The influence of training oriented towards the long term on organizational performance

In order to determine whether training oriented towards the long term influences organization performance, the researcher asked the respondents to state how training oriented towards the long term influences organization performance. The results were tabulated in table 4.20 below;

Table 4.20: The influence of training oriented towards the long term on organizational performance

Does training oriented towards the long term have influence on organizational performance?	Frequency (f)	Percent (%)
Yes	54	98.18
No	1	1.82
Total	55	100

Table 4.20 shows that 54 (98.18%) of the respondents said that training oriented towards the long term contribute towards organization performance. This implies that these trainings if put in place organizations performance can be effective. The training plans of organizations must be linked to the long term strategic plans of such organizations for them to finally realize the benefits of continuously training staff for the betterment of organization performance. Such plans can also reduce grievances arising from the staff as they feel that there are plans for their development leading to such rewards as promotions and pay hikes.

4.5.5: Training programs offered by the organization that effectively influence organizational performance

The researcher wanted to know the training programmes that are offered by KCB Kisumu branch therefore the respondents were asked to list the type of trainings they have attended and the results are presented in table 4.21

Table 4.21: Training programs offered by your organization that effectively influence organizational performance

Training programs offered by the organization	Frequency	Percent
Training for problem-solving skills		
Yes	42	76.36
No	13	23.64
Training for teamwork skills		
Yes	39	70.91
No	16	29.09
Training for technical skills		
Yes	36	65.45
No	19	34.55
Training for participation skills		
Yes	18	32.73
No	37	67.27
Cross functional training		
Yes	34	61.82
No	21	38.18
Training for change management		
Yes	19	34.55
No	36	65.45
Training for organizational policies and procedures		
Yes	31	56.36
No	24	43.64

Table 4.21 shows that 42 (76.36%) said that Training for problem-solving skills have been offered by the organization. 39 (70.91%) have been trained on teamwork skills, 36 (65.45%) trained on technical skills, 18 (32.73%) trained on participation skills, 34 (61.82%) have received Cross functional training. 19 (34.55%) have been trained on change management while 31 (56.36%) got trained on organizational policies and procedures. It is clear that different training programmes are designed for different categories and cadres of staff at KCB, Kisumu. Therefore this shows that training needs assessments are carried out first

before training are conducted at the Bank.

4.6 The influence of performance appraisal as a component of employee relations strategies on organizational performance.

This section presents the findings on the influence of performance appraisal as components of employee relation strategies on organizational performance. The specific parameters for analysis are the use of formal appraisal methods, the use of flexible performance standards in the performance appraisal process and formal participatory appraisal process. Questions asking whether there existed performance appraisals in the organization were used as an indicators for performance appraisal in KCB Kisumu branch.

From the results, all respondents 55 (100%) said that performance appraisal based on performance have been used in KCB Kisumu. This implies that organization performance heavily relies on performance appraisal as a component of employee relations.

4.6.1: The influence of formal appraisal methods on the organizational performance

Performance appraisal is one of the strategies used in the employee performance management process. It is not the most important part of performance management. But it is a necessary part of performance management. It was in the interest of the researcher to find out how performance appraisals influence organization performance, it is in this regard that the respondents were asked to state the extent to which performance appraisal influences organization performance. The results were then presented in table 4.22 below:

Table 4.22: The influence of formal appraisal methods on organizational performance

The influence of formal appraisal methods on organizational performance	Frequency	Percent
Poorly	2	3.64
Fairly	17	30.91
Significantly	36	65.45
Total	55	100

Table 4.22 shows that 2 (3.64%) of the respondents said that formal appraisal methods poorly influence organization performance. 17 (30.91%), 36 (65.45%) said that formal appraisal fairly and significantly influences organizational performance respectively. This implies that organizational performance significantly relies on performance appraisal as an aspect of employee relations. This finding can be compared to (Miller, 1992) who discovered that Performance appraisal activities are critical to link the performance of the organisation with the performance of an individual. It is necessary to involve employees in performance planning when preparing the Human Resource plan. This ensures that employees own the plan are driven toward achieving result based on give benchmarks (Bacal, 1999)

4.6.2 The influence of flexible performance standards in the performance appraisal process on organizational performance

For an organization to be effective, the goals, the standards and the action plans need

to be planned well in advance. Thus, performance appraisal facilitates the achievement of organizational goals. It also facilitates the optimal use of the organizational resources. For the appraisals to effectively achieve this objective they must be very flexible in order to adjust to changes in the organizational process as they come or as desired (Camelo et al. 2000). In order to determine the influence of flexible performance standards in the performance appraisal process, the respondents were asked to state how these standards influences organizational performance. The results were tabulated in table 4.23 as below;

Table 4.23: The influence of flexible performance standards in the performance appraisal process on organizational performance

Responses to the influence of flexible performance standards in the performance appraisal process on organizational performance	Frequency (f)	Percent (%)
Poorly	2	3.64
Fairly	38	69.09
Significantly	15	27.27
Total	55	100

The table shows that 2 (3.64%), 38 (69.09%), 15 (27.27%) of the respondents said that flexible performance standards in the performance appraisal process poorly, fairly, significantly influences organization performance respectively. This therefore implies that flexible performance standards fairly influence organization performance at KCB, Kisumu.

According to (Ilgen and Pulakos, 1999), the emphasis on teamwork also contribute to these new performance standards, as well as additional abilities such as interpersonal skills and social intelligence are required when employee work together in the achievement of the common organisational goals findings which are comparable to the findings of this study.

4.6.3 The influence of formal participative appraisal process on organizational performance

According to (Delaney and Huselid, 1996), performance appraisal is the strength of performance management, which in turn affects the organizational performance. It helps to identify and overcome the problems faced by the employees in their work and therefore it must involve the employees themselves. In order to determine the influence of formal participative appraisal process, the respondents were asked to state how these processes influences organizational performance. The results were tabulated in the following table;

Table 4.24: The influence of formal participative appraisal process on organizational performance

Responses to the influence of formal participative appraisal process on organizational performance	Frequency (f)	Percent (%)
Fairly	31	56.33
Significantly	24	43.64
Total	55	100

The tabulated analysis shows that 31 (56.33%) of the respondents said that formal participative appraisal process fairly influences organization performance while 24 (43.64%) said it significantly influences organization performance. This implies that organization performance to a greater extent relies on participatory appraisal process. Where the performance appraisal improves the work performance and employee satisfaction, it can also demotivate employees and leaving a bad impression on the good employees. Most of the employees do not approve of continuous performance monitoring and performance appraisals, and also consider it as a burdensome activity (Kuvaas, 2007). Therefore, performance appraisals can affect the organizational performance both positively and negatively, and should be dealt with care and expert knowledge and experience.

4.7 The influence of job analysis and description as components of employee relations strategies on organizational performance.

It is the process of obtaining information about jobs by determining what duties, tasks or activities a job should consist of. The Human Resource managers use the data to develop job descriptions and job specifications that are the basis for employee performance appraisal and development. The ultimate purpose of job analysis is to improve organizational performance and productivity. (Ivachevich, 1995). This section presents the findings on the influence of job analysis and description as components of employee strategies on organizational performance. The specific parameters for analysis are job rotation initiatives, flexible job descriptions, job descriptions based on team work and job designs oriented towards skills enhancement. Questions asking whether the concept of 360-degree feedback

was used in the organization were used as indicators for job analysis and description in KCB Kisumu branch.

Table 4.25: The existence of job analysis and description

Does job analysis and description exist?	Frequency	Percent
	(f)	(%)
Yes	52	94.55
No	3	5.45
Total	55	100

The table shows that majority 52 (94.55%) of the respondents said that job analysis and description exists in the organization.

4.7.1: The influence of job rotation initiatives on organizational performance

In order to determine the influence of job rotation and initiatives, the respondents were asked to state how these job rotation and initiatives influences organizational performance. The results were tabulated in table 4.26.

Table 4.26: The influence of job rotation initiatives on organizational performance

Responses to the influence of job rotation initiatives on organizational performance	Frequency (f)	Percent (f)
Never	1	1.82
Sometimes	35	63.64
Always	19	34.55
Total	55	100

One (1.82%), 35 (63.64%), 19 (34.55%) of the respondents said that job rotation and initiatives never, sometimes and always influences organization performance respectively. Job rotation makes employee flexible and more knowledgeable on all aspects of running an organization. It also helps managers match the right employees' skills with the right jobs as an employee is given an opportunity to work in all departments of an organization.

4.7.1.1: A cross tabulation of job rotation initiatives in the organizations and job analysis and description

A cross tabulation between job rotation initiatives and job analysis and description to ascertain the influence of job rotation initiatives on organization performance was done and the results were tabulated in table 4.27 below;

Table: 4.27: A cross tabulation of the influence of job rotation initiatives on organizational performance and job analysis and description.

Variables	The existence of job analysis and description	
	Yes	No
The influence of job rotation initiatives on organizational performance		
Never	1	0
Sometimes	34	1
Always	17	2
Total	52	3

Table 4.27 shows that 1 (1.92%) of the respondents that agreed job rotation and description exist in the organization also said that job rotation initiatives never influences organization performance. 34 (65.38%) said it sometimes influences organization performance while 17 (32.69%) said that job rotation and description always influences organizational performance. This implies that organization performance to some extent relies on job rotation and analysis initiatives. Job analysis plays an important role in the development of productivity improvement programs. Various pay-for-performance programs provide rewards to employees who perform their jobs at or above some desired level. Job analysis is used to identify that level of performance (Butler, 1996).

4.7.2: The influence of flexible job descriptions on organizational performance

In order to determine the influence of flexible job descriptions, the respondents were asked to state how flexible job descriptions influences organizational performance. The results were tabulated in table 4.28.

Table 4.28: The influence of flexible job descriptions on organizational performance

The influence of flexible job descriptions on organizational performance	Frequency (f)	Percent (%)
Poor	1	1.82
Fair	38	69.09
Significant	16	29.09
Total	55	100

Table 4.28 shows that 1 (1.82%) said that flexible job descriptions poorly influences organization performance, 38 (69.09%), 16 (29.09%) said that flexible job descriptions fairly and significantly influences organization performance.

4.7.2.1: A cross tabulation of the influence of flexible job descriptions on organizational performance and performance appraisal

A cross tabulation between flexible job rotations and job analysis and description to ascertain the influence of flexible job descriptions on organizational performance was done and the results were tabulated in table 4.29.

Table 4.29: A cross tabulation of flexible job descriptions in the organizations performance and performance appraisal

Variables	The existence of job analysis and description	
	Yes	No
The influence of flexible job descriptions on organizational performance		
Poor	1	0
Fair	35	3
Significant	16	0
Total	52	3

Table 4.29 shows that 1 (1.92%) of the respondents that agreed job rotation and description exist in the organization also said that flexible job description poorly influences organization performance, 35 (67.31%) said it fairly influences organization performance while 17 (30.77%) said that job rotation and description significantly influences organizational performance. This implies that organization performance fairly depends on job rotation initiatives.

4.7.3: The influence of job descriptions based on teamwork on organizational performance

In order to determine the influence of job descriptions based on teamwork, the respondents were asked to state how job descriptions based on teamwork influences organizational performance. The results were tabulated in table 4.30

Table 4.30: The influence of job descriptions based on teamwork on organizational performance

Responses to the influence of job descriptions based on teamwork on organizational performance	Frequency (f)	Percent (%)
Never	2	3.64
Sometimes	38	69.09
Significantly	15	27.27
Total	55	100

Table 4.30 shows that 2 (3.64%) of the respondents said job descriptions based on teamwork never influences organization performance. 38 (69.09%), 15 (27.27%) said that job descriptions sometimes and always influences organization performance respectively.

4.7.3.1: A cross tabulation of the influence of job descriptions based on teamwork on organizational performance and job analysis and description

A cross tabulation between job descriptions based on teamwork and job analysis and description to ascertain the influence of job descriptions based on teamwork on organization performance was done and the results were tabulated in table 4.31 following;

Table 4.31: A cross tabulation of the influence of job descriptions based on teamwork on organizational performance and job analysis and description

Variables	The existence of job analysis and description	
	Yes	No
The influence of job descriptions based on teamwork on organizational performance		
Never	1	1
Sometimes	38	0
Significantly	13	2
Total	52	3

Table 4.3.1 shows that 1 (1.92%) of the respondents that agreed job rotation and description exist in the organization also said that flexile job description never influences organization performance, 38 (73.08%) said it sometimes influences organization performance while 13 (25%) said that job rotation and description significantly influences organizational performance. This implies that organization performance fairly depends on job rotation initiatives.

4.7.4: The influence of job designs oriented towards skills enhancement on organizational performance

Job design is the process of deciding on the contents of job in terms of its duties and responsibilities, on the methods to be used in carrying out the job, in terms of techniques, systems and procedures, and on the relationships that should exist between the jobholder and

his superiors, subordinates and colleagues." Job design is a deliberate attempt to finalize the technical and social aspects of a work (Natasha, 2010). In order to determine the influence of job designs oriented towards skills enhancement, the respondents were asked to state how job designs oriented towards skills enhancement influences organizational performance. The results were tabulated in tables 4.32 that follow:

Table 4.32: The influence of job designs oriented towards skills enhancement on organizational performance

The influence of job designs oriented towards skills enhancement on organizational performance	Frequency (f)	Percent (f)
Poorly	1	1.82
Fairly	29	52.73
Significantly	25	45.45
Total	55	100

Table 4.32 shows that 1 (1.82%) said that job designs oriented towards skills enhancement poorly influences organization performance, 29 (52.73%), 25 (45.45%) said that job designs oriented towards skills enhancement fairly and significantly influences organization performance respectively. Workers often expect higher payment to compensate for learning other jobs and for agreeing to changes in working practices. The new jobs are often only a marginal improvement in terms of the degree of repetition, the skill demands and the level of responsibility; as a result workers have not always responded positively to such change (Lawler, 1992).

4.7.4.1: A cross tabulation of the influence of job designs oriented towards skills enhancement on organizational performance and job analysis and description

A cross tabulation between job designs oriented towards skills enhancement and job analysis and description to ascertain the influence of job designs oriented towards skills enhancement on organization performance was done and the results were tabulated in table 4.33 below.

Table 4.33: A cross tabulation of the influence of job designs oriented towards skills enhancement on organizational performance and job analysis and description

Variables	The existence of job analysis and description	
	Yes	No
The influence of job designs oriented towards skills enhancement on organizational performance		
Poorly	1	0
Fairly	29	0
Significantly	22	3
Total	52	3

Table 4.33 shows that 1 (1.92%) of the respondents that agreed job rotation and description exist in the organization also said that job designs oriented towards skills enhancement poorly influences organization performance. 29 (55.77%) said it fairly

influences organization performance while 22 (42.31%) said that job rotation and description significantly influences organizational performance. This implies that organization performance fairly depends on job rotation initiatives.

4.8 The influence of reward as a component of employee relations strategies on organizational performance

The need for organizations to develop a performance-enhancing system capable of facilitating the best management and development of their employees, and increasing their competitiveness, has made the links between HRM and organizational performance an important agenda item in the field of HRM (Chin-Ju Tsai, 2006). Several studies have revealed the positive effects of reward and incentive systems on organizational performance (Chin-Ju Tsai, 2006). This section presents the findings on the influence of reward as components of employee strategies on organizational performance. The specific parameters for analysis are quality based incentives, internally equitable reward system, collective performance-based pay schemes, skill-based reward system and individual performance-based reward system. Questions asking whether the organization offered quality-based incentives was used as an indicator for rewards in KCB Kisumu branch.

Table 4.34: The existence of quality based incentives

Responses to the existence of quality based incentives	Frequency	Percent
	(f)	(%)
Yes	49	89.09
No	6	10.91
Total	55	100

Table 4.34 shows that majority 49 (89.09%) of the respondents said that the organization offer quality-based incentives as reward

4.8.1: The influence of quality based incentives on organizational performance

In order to determine the influence of internally equitable reward system. the respondents were asked to state how internally equitable reward system influences organizational performance. The results were tabulated in table 4.35

Table 4.35: The influence of internally equitable reward system on organizational performance

Responses to the influence of internally equitable reward system on the organizational performance	Frequency	Percent
	(%)	(%)
Poor	1	1.82
Average	42	76.36
Significant	12	21.82
Total	55	100

Table 4.35 shows that 1 (1.82%), 42 (76.36%), 12 (21.82%) of the respondents said that quality based incentives poorly, averagely and significantly influences organization performance respectively. The compensation system (e.g. profit sharing) contributes to performance by linking the interests of employees to those of the team and the organization, thereby enhancing effort and performance (Huselid, 1995).

4.8.1.1: A cross tabulation of influence of internally equitable reward system on organizational performance and quality based incentives

In order to determine the influence of quality based incentives as part of employee reward, a cross tab between internally equitable reward system and quality based incentive was done and the results tabulated in table 4.36

Table 4.36: A cross tabulation of the influence of internally equitable reward system on organizational performance and quality based incentives

Variables	The existence of quality based incentives	
	Yes	No
The influence of internally equitable reward system on organizational performance		
Poor	0	1
Average	37	5
Significant	12	0
Total	49	6

Table 4.36 shows that 37 (75.51%) of the respondents that existence of quality based incentives exist in the organization also said that internally equitable reward system averagely influences organization performance while 12 (24.49%) said it significantly influences organization performance. This implies that organization performance fairly rewards and incentives given to employees as these closely link employee personal goals with the goals of the organization.

4.8.2: The influence of collective performance-based pays schemes such as employee share options, profit sharing and group bonus schemes on organizational performance

According to Banker and Lee (1996), four commonly used variable pay schemes are profit-related payment, employee share- ownership plans (ESOP), profit-sharing schemes, and group performance-related schemes. Profit-related pay schemes provide employees with tax-free payments linked to the profitability of their companies. In order to determine the influence of collective performance-based pays schemes, the respondents were asked to state how collective performance-based pays schemes influences organizational performance. The results were tabulated in table 4.37 that follow:

Table 4.37: The influence collective performance-based pay schemes on organizational performance

The influence of collective performance-based pay schemes on organizational performance	Frequency	Percent
Poor	3	5.45
Fair	9	16.36
Good	32	58.18
Excellent	11	20.00
Total	55	100.00

Table 4.37 shows that 3 (5.45%), 9 (16.36%), 32 (58.18%) and 11 (20%) of the respondents said that performance-based pays schemes poorly, fairly, good and excellently influences organization performance respectively. Group performance-related schemes reward a group or team of employees with a cash payment for achieving an agreed target. These schemes are all designed to enhance company performance by aligning the interests of employees with the financial performance of their companies (Banker and Lee, 1996).

4.8.2.1: A cross tabulation of the influence of collective performance-based pay schemes on organizational performance and quality based incentives

In order to determine the influence of performance-based pays schemes as part of employee reward, a cross tab between performance-based pays schemes and quality based incentive was done and the results tabulated in table 4.38 that follow:

Table 4.38: A cross tabulation of the influence of collective performance-based pay schemes on organizational performance and quality based incentives

Variables	The existence of quality based incentives	
	Yes	No
The influence collective performance-based pay schemes on organizational performance		
Poor	2	1
Fair	7	2
Good	29	3
Excellent	11	0
Total	49	6

Table 4.38 shows that 2 (4.08%) of the respondents that quality based incentives exist in the organization also said that collective performance-based pay schemes poorly influences organization performance, 7 (14.29%), 29 (59.18%), 11 (22.45%) said it fairly, good, excellently influences organization performance. This implies that organization performance fairly depends on collective performance-based pay schemes. The effectiveness of skilled employees is likely to be limited if they are not motivated to perform. One of the means that organizations can use to enhance employee motivation and performance is to provide performance-related compensation (Delaney and Huselid, 1996).

4.8.3: The influence of skill-based reward system on organizational performance

In order to determine the influence of skill based reward system, the respondents were asked to state how skill based reward system influences organizational performance. The results were tabulated in table 4.39

Table 4.39: The influence of skill-based reward system on organizational performance

The influence of skill-based reward system on organizational performance	Frequency	Percent
Never	3	5.45
Sometimes	34	61.82
Always	18	32.73
Total	55	100

Table 4.39 shows that 3 (5.45%), 34 (61.82%), 18 (32.73%) of the respondents said that skill based reward system never, sometimes and always influences organization performance respectively. The provision of monetary and non-monetary rewards is perceived by employees as fair (Takeuchi *et al.* 2004). As Applebaum *et al* (2000) suggest, employee relations strategy include many features that are likely to affect the organisational justice perceptions of the workforce. On the other hand, employee relations strategy contributes to generating a sense of procedural equality, by determining rewards according to the result of employee performance evaluations.

4.8.3.1: A cross tabulation of the influence of skill-based reward system on organizational performance and quality based incentives

As Cobb *et al.* (1995) states, performance appraisal systems and compensation based on merit have become almost synonymous with the idea of fairness in the organisation, which contributes to motivating employees. In order to determine the influence of skill-based reward system as part of employee reward, a cross tab between skill-based reward system and quality based incentive was done and the results tabulated in table 4.40

Table 4.40: A cross tabulation of the influence of skill-based reward system on organizational performance and quality based incentives

Variables	The existence of quality based incentives	
	Yes	No
The influence of skill-based reward system on organizational performance		
Never	2	1
Sometimes	29	5
Always	18	0
Total	49	6

Table 4.40 shows that 2 (4.08%) of the respondents that quality based incentives exist in the organization also said that skill-based reward system never influences organization performance, 29 (59.18%), 18 (36.73%) said it sometimes, always influences organization

performance respectively. This implies that organization performance fairly depends on collective skill-based reward system. Performance appraisal systems and compensation based on merit have become almost synonymous with the idea of fairness in the organisation, which contributes to motivating employees Cobb *et al.* (1995).

4.8.4: The influence of individual performance-based reward system on organizational performance

In order to determine the influence of individual performance-based reward system, the respondents were asked to state how individual performance-based reward system influences organizational performance. The results were tabulated in table 4.41

Table 4.41: The influence of individual performance-based reward system on organizational performance

The influence of individual performance-based reward system on organizational performance	Frequency	Percent
Average	25	45.45
Significant	30	54.55
Total	55	100

Table 4.41 shows that 25 (45.45%) of the respondents said that individual performance-based reward system influences organization performance while 30 (54.55%) said that it significantly influences organization performance. The development of an appropriate

organisational reward system is probably one of the strongest motivational factors. This can influence both job satisfaction and employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented as a result of the rewards received. The reward system influences motivation primarily through the perceived value of the rewards and their contingency on performance (Hickins, 1998).

4.8.4.1: A cross tabulation of the influence of individual performance-based reward system on organizational performance and quality based incentives

In order to determine the influence of individual performance-based reward system as part of employee reward, a cross tab between individual performance-based reward system and quality based incentive was done and the results tabulated in table 4.42

Table 4.42: A cross tabulation of the influence of individual performance-based reward system on organizational performance and quality based incentives

Variables	The existence of quality based incentives	
	Yes	No
The influence of individual performance-based reward system on organizational performance		
Average	22	3
Significant	27	3
Total	49	6

Table 4.42 shows that 22 (44.90%) of the respondents that quality based incentives exist in the organization also said that individual performance-based reward system

averagely influences organization performance. 27 (55.10%) said it significantly influences organization performance respectively. This implies that organization performance significantly depends on individual performance-based reward system. According to (Hickins, 1998), the development of an appropriate organizational reward system can influence both individual job satisfaction and individual employee motivation. The reward system affects job satisfaction by making the employee more comfortable and contented as a result of the rewards received.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This is the last section of this study report. It presents a consolidated summary of all findings, relevant conclusions, study recommendations and suggestions for further investigations.

5.2. Summary of Findings

The data in chapter four enabled the study to evaluate employee relations strategies on organization performance taking a case of Kenya Commercial Bank Kisumu branch. This study examined the extent to which employee relations has contributed to organizational performance at KCB Kisumu by sampling 60 employees of the bank. The factors which were examined by the study were staffing and promotions, employee training and development, performance appraisal, job analysis and description and employee reward as components of employee relations strategies and their influence on organizational performance.

The influence of staffing and promotions was evaluated by the study and found to be significant on organizational performance. The factors tested included the use of formal human resource planning, human resource comprehensive selection process, realistic job previews during recruitment, the use of trainability as a selection process, formal socialization process for new employees, internal promotions and performance based promotions. The study discovered that most departments 53 (96.36%) had staffing and promotions occurring within the last one year. The study also noted that the measuring

parameters of staffing and promotions were highly influential towards organizational performance.

From the study data on employee training and development, the extent of the impact of employee training on organizational performance was found to be significant. Employee training and development was measured by comprehensive training activities, training programs for new entrance, the use of systematic assessment of employee training activities and training efficacy and training oriented towards the long term. The study found out that the organization offer training to all its employees and that this was vital in realizing organizational performance as proved.

The influence of performance appraisal was tested by the study and found to be significant on organizational performance at KCB Kisumu branch. The factors tested for performance appraisal included the use of formal appraisal methods, the use of flexible performance standards in the performance appraisal process and formal participatory appraisal process. The study discovered that formal appraisal methods are significantly 36 (65.45%) influential to organization performance while flexible performance standards are fairly 31 (56.33%) associated to organizational performance. The study noted that employee appraisal methods significantly influence organizational performance.

The influence of job analysis and description was tested by the study and found to be significant on organizational performance in KCB Kisumu branch. The factors which tested for job analysis and descriptions included job rotation initiatives, flexible job descriptions, job descriptions based on team work and job designs oriented towards skills enhancement. The study discovered that all the factors tested for job analysis and description significantly

influence organizational performance.

Lastly the study examined the influence of employee reward in organizational performance in KCB Kisumu branch. The factors tested for job analysis and descriptions included quality based incentives, internally equitable reward system, collective performance-based pay schemes, skill-based reward system and individual performance-based reward system. The study discovered that 49 (89.09%) of the employee have had quality based incentives as rewards and that the factors tested for reward significantly influence organizational performance.

5.3. Conclusions

From the study, the conclusions based on findings were drawn. The findings of the study proved that staffing and promotions as an aspect of employee relations is very influential when it comes to organizational performance as shown by the parameters used in testing for staffing and promotions which included the use of formal human resource planning, human resource comprehensive selection process, realistic job previews during recruitment, the use of trainability as a selection process, formal socialization process for new employees, internal promotions and performance based promotions.

The study data also proved that employee training and development is also very important when it comes to organizational performance as employees will be very confident of their job after undergoing relevant trainings offered by the organization. Employee training and development was measured by comprehensive training activities, training programs for new entrance, the use of systematic assessment of employee training activities

and training efficacy and training oriented towards the long term.

In order for the organization to perform better, the study discovered that flexible performance appraisal methods should be put in place. The performance appraisal was measured by the use of formal appraisal methods, the use of flexible performance standards in the performance appraisal process and formal participatory appraisal process.

The study further found out that job analysis and description is an integral element when it comes to organizational performance. The factors tested for job analysis and descriptions included job rotation initiatives, flexible job descriptions, job descriptions based on team work and job designs oriented towards skills enhancement.

Lastly, the study established the extent to which employee reward system influences organizational performance. The factors tested for employee reward system included quality based incentives, internally equitable reward system, collective performance-based pay schemes, skill-based reward system and individual performance-based reward system. The study discovered that employee reward is very important for organizational performance.

5.4. Recommendations

The following recommendation pertinent to both policy making and for further research were put forward:

1. In light of the findings and conclusion of the study, the following policy recommendations were made for action in relation to staffing and promotions in various organizations. Organizations should put in place staffing and promotion procedures as components of employee relations so as to improve on the performance of the

organization.

2. The government, non-governmental and the private sector should ensure that employee training is provided for both the new and existing employees in an organization so as to improve on performance and employee development.
3. Organisations should ensure those employees are involved in their job analysis and job descriptions review. The job requirements, responsibilities and decision making authorities within the job should be clearly communicated to ensure employee commitment and hence organisational performance.
4. In performance appraisals and rewards, the various organizations should ensure that they put in place stringent and reliable procedures for appraising and rewarding their employees in order to have a motivated staff for organization to perform better.

The following recommendation for further research should be taken into consideration, arising from the findings and conclusions of the study; having carried out this study at Kenya Commercial Bank Kisumu branch, this study should be replicated in many other organizations so as to compare the findings and to assess whether employee relations strategies also influence organizational performance in these other sectors of the economy.

5.5. Contribution to body of knowledge

Table 5.1: Contribution to body of knowledge based on the findings

Objectives	Contribution to body of knowledge
1. To examine the influence of staffing and promotions as components of employee relations strategies on organizational performance	Staffing and promotions as components of employee relations strategies are effective on organizational performance
2. To determine how employee training and development as components of employee relations strategies influence organizational performance	Employee training as a components of employee relations strategies are effective on organizational performance
3. To ascertain the influence of performance appraisal as a component of employee relations strategies on organizational performance	Performance appraisal as a components of employee relations strategies are effective on organizational performance
4. To explore how of job analysis and description as components of employee relations strategies influence organizational performance	Job analysis and description as a components of employee relations strategies are effective on organizational performance
5. To establish the influence of reward as a component of employee relations strategies on organizational performance	Employee reward as a components of employee relations strategies are effective on organizational performance

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APPENDICES

APPENDIX I: LETTER OF TRANSMITTAL

P.O Box 74599-00200

NAIROBI

DATE:

The Branch Manager,
KCB-Kisumu Branch,
P. O. Box 17-40100
KISUMU

Dear Sir,

RE: CONDUCTING OF ACADEMIC RESEARCH IN YOUR ORGANISATION.

I am a student at University of Nairobi pursuing a Masters degree in Project Planning and Project Management in the School of Continuing and Distance Education at Kisumu Campus. I am currently carrying out a research project on **Effects of employee relations strategies on organisational performance** and I have identified your organisation as a source of required data to assist in the study.

I am writing to introduce myself and request your endorsement during data collection process.

The information collected will be solely used for research purposes and strict confidentiality is assured.

Thank you.

Benard Adhiambo Oguwa.
Student-University of Nairobi

APPENDIX II: RESEARCH CONSENT FORM

Dear Sir/Madam,

Thank you for agreeing to participate in this research project. My name is Benard Adhiambo, and I am Master of Arts post-graduate student at the University of Nairobi. I am currently working on my post-graduate research project entitled "Influence of employee relations strategies on organizational performance: A case of Kenya Commercial Bank, Kisumu Branch"

I would like to sit down with you and ask you some questions. This will take around 20 minutes. For all questions, there are no wrong or right answers. Your participation in this study is **entirely voluntary**. In addition, you can choose not to answer any question that you find uncomfortable or you can terminate the interview at any time. Your participation in this exercise will help me in learning about the above mentioned area of study. I want to assure you that all information you provide to me will be confidential. Your name will not be recorded on any document related to this study. A study identification number will be used in place of your name on the interview records.

In case of any questions regarding the study, please contact:

Benard Adhiambo of the University of Nairobi (Tel: +254- 721 713 351) or E-mail:

bennieoguwa@yahoo.com

I have read the above information and I agree to participate in this study.

Name: _____ Date: _____

Respondent Signature: _____ Researcher's signature: _____

APPENDIX III: QUESTIONNAIRE FOR THE GENERAL STAFF

SECTION A: PERSONAL BIOGRAPHY

1. What is your gender? *(Please tick one)*

- Male
- Female

2. What is your age bracket? *(Please tick one)*

- 20-30 years
- 31-40 years
- Above 40 years

3. Under which department do you work in?

4. What are your academic qualifications? *(Please tick one)*

- Primary school
- Secondary school
- A Level
- Tertiary/middle college
- Undergraduate University Degree
- Postgraduate University Degree

5. How long have you worked at Kenya Commercial Bank Ltd? *(Please tick one)*

- Less than one year
- 1-5 years

- 6-10 years
- Over 10 years

6. What position do you hold in the bank? *(Please tick one)*

- Manager
- Clerks
- Supervisor
- Subordinate staff

SECTION B: STAFFING AND PROMOTIONS

7. How can you rate the use of formal human resource planning in your organization?

(Please tick one)

- Poor
- Fair
- Good
- Excellent

8. How has the use of formal human resource planning contributed to organizational performance in your organization? *(Please tick one)*

- Poorly
- Moderately
- Effectively

9a). Is there human resource comprehensive selection process in your organization? *(Please tick one)*

Yes

No

9b). If yes, how has it influenced organizational performance in your organization? *(Please tick one)*

Positively

Negatively

10. How has the use of realistic job previews during recruitment processes contributed to organizational performance in your organization? *(Please tick one)*

Poorly

Fairly

Excellently

11a). Does the organization use trainability as a selection criterion? *(Please tick one)*

Yes

No

11b). If yes, how has it contributed to organizational performance in your organization?
(Please tick one)

Positively

Negatively

12. How has formal socialization process for new employees influenced organizational performance in your organization? *(Please tick one)*

- Insignificantly
- Moderately
- Significantly

13. Do internal promotions influence organizational performance in the organization? *(Please tick one)*

- Never
- Sometimes
- Regularly
- Always

14. Do performance-based promotions influence organizational performance in your organization? *(Please tick one)*

- Never
- Sometimes
- Regularly
- Always

SECTION C: TRAINING AND DEVELOPMENT

15. Does the organization offer trainings as part of employee development? *(Please tick one)*

- Yes
- No

16. How do comprehensive training activities programmes contribute to organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

17. Do employee training programmes for new entrants influence organizational performance in your organization? *(Please tick one)*

- Never
- Sometimes
- Always

18. How has the use of systematic assessment of employee training activities and training efficacy contributed to organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

19. Do you think that the training oriented towards the long term influence organizational performance in your organization? *(Please tick one)*

- Yes
- No

20. From the list bellow select the training programs offered by your organization that effectively influence organizational performance? *(Please tick all that apply)*

- Training for problem-solving skills
- Training for teamwork skills
- Training for technical skills
- Training for participation skills
- Cross functional training
- Training for change management
- Training for organizational policies and procedures

SECTION D: PERFORMANCE APPRAISAL

21. How has formal appraisal methods contributed to organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

22a). Is there performance appraisal based on performance in your organization? *(Please tick one)*

- Yes
- No

22b). If yes, how has it influenced organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

23. How do the use of flexible performance standards in the performance appraisal process influence organization performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

24a). Does your organization have a formal participative appraisal process? *(Please tick one)*

- Yes
- No

24b). If yes, how has it contributed to organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

SECTION E: JOB ANALYSIS AND JOB DESCRIPTION

25. Do job rotation initiatives contribute to organizational performance in your organization?

(Please tick one)

- Never
- Sometimes
- Always

26. How can you rate the influence of flexible job descriptions on organizational performance in your organization? *(Please tick one)*

- Poor
- Fair
- Significant

27a). Is there 360-degree feedback in place in your organization? *(Please tick one)*

- Yes
- No

27b). If yes, how has it contributed to organizational performance in your organization?

(Please tick one)

- Poorly
- Fairly
- Significantly

28. Do you think that the description of jobs based on teamwork influence organizational performance in your organization? *(Please tick one)*

- Never
- Sometimes
- Significantly

29. How do job designs oriented towards skills enhancement contribute to organizational performance in your organization? *(Please tick one)*

- Poorly
- Fairly
- Significantly

SECTION F: REWARD

30. Do your organization offer quality-based incentives as a reward to its employees?

- Yes
- No

31. Do quality-based incentives contribute to organizational performance in your organization? *(Please tick one)*

- Never
- Sometimes
- Always

32. How can you rate the influence of internally equitable reward system on organizational

performance in your organization? *(Please tick one)*

- Poor
- Average
- Significant

33. How do you rate the use of collective performance-based pay schemes such as employee share options, profit sharing and group bonus schemes to improve performance in your organization? *(Please tick one)*

- Poor
- Fair
- Good
- Excellent

34. Do skill-based reward system contribute to organizational performance in your organization? *(Please tick one)*

- Never
- Sometimes
- Always

35. How can you rate the contribution of individual performance-based reward system towards organizational performance in your organization? *(Please tick one)*

- Poor
- Average
- Significant

APPENDIX IV: RESEARCH PERMIT

PAGE 2

PAGE 3

Research Permit No. **NCST/RR1/12/1/SS011/1127**

THIS IS TO CERTIFY THAT:

Date of issue **3rd August 2011**

Prof./Dr./Mr./Mrs/Miss/Institution

Fee received **KSHS. 1000**

Benard Adhiambo Oguwa
of (Address) **University of Nairobi**
Kisumu Campus
P.O BOX 825-40100, Kisumu

has been permitted to conduct research in

Location

Kisumu East District
Nyanza Province



on the topic: **Influence of employee relations strategies on organizational performance: A case of Kenya commercial bank, Kisumu branch**

[Handwritten Signature]
Applicant's Signature
[Handwritten Signature]
Secretary
National Council for Science and Technology

for a period ending **31st Sept. 2011**

CONDITIONS

1. You must report to the District Commissioner and the District Education Officer of the area before embarking on your research. Failure to do that may lead to the cancellation of your permit
2. Government Officers will not be interviewed with-out prior appointment.
3. No questionnaire will be used unless it has been approved.
4. Excavation, filming and collection of biological specimens are subject to further permission from the relevant Government Ministries.
5. You are required to submit at least two(2)/four(4) bound copies of your final report for Kenyans and non-Kenyans respectively.
6. The Government of Kenya reserves the right to modify the conditions of this permit including its cancellation without notice



REPUBLIC OF KENYA

RESEARCH CLEARANCE PERMIT

CPK6055t3mt10/2011

(CONDITIONS—see back page)

APPENDIX V: RESEARCH AUTHORIZATION LETTER

REPUBLIC OF KENYA



NATIONAL COUNCIL FOR SCIENCE AND TECHNOLOGY

Telegrams: "SCIENCE TECH", Nairobi
Telephone: 254-020-241349, 2213102
254-020-310571, 2213123
Fax: 254-020-2213215, 318245, 318249
When replying please quote

PO Box 30623-00100
NAIROBI-KENYA
Website: www.ncst.go.ke

Our Ref: NCST/RRI/12/1/SS011/1127

3rd August, 2011

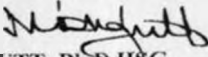
Benard Adhiambo Oguwa
University of Nairobi
Kisumu Campus
P O BOX 825-40100
KISUMU

RE: RESEARCH AUTHORIZATION

Following your application for authority to carry out research on "Influence of employee relations strategies on organizational performance: A case of Kenya Commercial Bank Kisumu branch", I am pleased to inform you that you have been authorized to undertake research in Kisumu East District, Kenya for a period ending 31st September 2011

You are advised to report to The Managing Director, Kenya Commercial Bank, Kisumu Branch before embarking on the research project.

On completion of your research project you are advised to submit one hard copy and one soft copy of your thesis/ project to this office.


DR. M.K. RUGUTT, Ph.D., HSC
DEPUTY COUNCIL SECRETARY
Copy to:

Managing Director
Kenya Commercial Bank
Kisumu Branch