

Vol. 5, Issue 3, pp: (21-35), Month: May - June 2018, Available at: www.noveltyjournals.com

EFFECT OF HUMAN RESOURCE MANAGEMENT PRACTICES ON THE PERFORMANCE OF EMPLOYEES IN THE ENERGY SECTOR IN KENYA

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Abstract: The study sought to investigate the effect of human resource management practices on the performance of employees in the energy Sector in Kenya. The specific objectives were to determine how recruitment and selection, training and development, reward and compensation and employee engagement affects the performance of employees in the energy sector in Kenya. The study adopted a descriptive research design. The target population was a total of 644 employees selected from the respective headquarters of the various agencies within the energy sector in Kenya. The employees were drawn from various Nairobi head office of these agencies. The study applied stratified random sampling technique to select 240 respondents as the sample size for the study. Questionnaires were used as the main data collection instruments and a pilot study was conducted to pretest the questionnaire's reliability. In addition, descriptive statistics and inferential statistics were used to analyze the gathered data and the results were presented on tables, charts and graphs. The major findings of the study revealed that all the independent variables (recruitment and selection practices, HR training and development practices, reward and compensation and employee engagement) had a positive and significant influence on employees' performance among agencies in energy sector in Kenya. The study concluded that agencies in energy sector in Kenya adopted recruitment and selection practices, HR training and development practices, reward and compensation and finally employee engagements practices that enhanced the performance of their employees. The findings of this study revealed that recruitment and selection practices, HR training and development practices, reward and compensation practices and finally employees' engagement practices significantly influence employee performance. This study therefore recommends that state authorities such as Public Service Commission through relevant directorate should formulate policies to ensure that all state agencies and institutions have relevant human resources management practices that ensure high employee performance.

Keywords: Development, Engagement, High turnover, Innovativeness, Intellectual engagement, involvement, Performance, Recruitment, remuneration, Return on investments, Reward, Compensation, Training.

I. INTRODUCTION

The HRM practices refer to organizational activities directed at managing the group of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals. The appropriate use of HRM practices positively influence the level of employer and employee commitment (Purcell, 2003). Armstrong and Stephen (2014) further emphasize that the goal of HRM is to support the organization in achieving its objectives by developing and implementing human resources (HR) strategies that are integrated with business strategy (strategic HRM), contribute to the development of a high-performance culture, ensure that the organization has the talented skilled and engaged people it needs and create a positive employment relationship between management and employees and a climate of mutual trust.



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High-performance management aims, through high performance work systems (bundles of practices that enhance employee performance and facilitate their engagement, motivation and skill enhancement), to make an impact on the performance of the organization in such areas as productivity, quality, levels of customer service, growth and profits. High performance working practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes (Armstrong and Stephen, 2014). Guest (2002) demonstrated that the impact of HRM on performance depends upon response of worker towards HRM practices, so the impact will move in direction of the perception of employees by practicing HRM.

Ghebregiorgis and Karstan (2007) said that the perception of the employees provide broader evaluation of HRM systems. He also evaluated a positive picture of HRM practices including recruitment and selection, training and development and compensation. Qureshi et al (2007) concluded that HR practices are positively correlated with employee's performance. Patterson (1997) explained that HR practices in selection and training influence the performance of the employee provided appropriate skills. Verbeeten (2008) suggested that quality and quantity performance is positively associated with clear and measurable goals; incentives are also positively related with the performance. Medlin and Green (2009) stated that goal setting, employee engagement and high level of workplace optimism collectively improves the performance of an individual of an organization. Lyons (2006) explained that involvement of team member in designing of training for team leader improves leader knowledge, skills learning and performance.

Energy is an indispensable prerequisite to economic activity and improving human quality of life. Households need energy for cooking, lighting while transportation is only possible through the use of energy. Essential facilities, such as hospitals, require electricity for cooling, sterilization and refrigeration. Energy is also a major determinant of the cost of living as almost every consumed product and service has its input. Oil, the major source of energy used in the country, is subject to international price volatility, thereby having a huge impact on the economy. Energy supply and use has a significant impact on the environment through climate change effects. Some of the overall national development objectives of the government under the country's development blue print, the Vision 2030 include: accelerated economic growth; increasing productivity of all sectors; enhanced agricultural production; industrialization; and accelerated employment creation. These will inherently increase the demand for energy and therefore the realization of these objectives is only feasible if quality energy services are availed in a sustainable, cost effective and affordable manner to all sectors of the economy. Increasing access, sustainability, reliability and affordability of energy is crucial if the country is to attain the desired Gross Domestic Product (GDP) growth rate of 10 per cent per annum, and improving the lot of Kenyans effectively reducing poverty levels. The government has already come up with an investment plan to modernize the energy infrastructure network, increase the share of energy generated from renewable energy sources, and provide energy that is affordable and reliable to businesses and homes by 2030. Owing to this fact, IEA conceptualized an energy scenarios project in order to evaluate the feasibility of this plan given the probable changes that might occur in the future. The scenarios exercise also sought to describe the risk on non-action. On July 24, 2013, the IEA convened energy stakeholders to participate in a scenarios exercise that would examine the energy sector more closely to determine what the energy sector would have to do to achieve the successful transition desired by the plan in Vision 2030 (Kwame, 2015).

During the financial year 2013/2014, the Energy sector under the leadership of MOE&P and the Commission undertook to prepare a 20 Year Sector Master Plan for electricity. The need was informed by the fact that the electricity Master Plan in existence was prepared in 1986 and since then policy, legal and regulatory framework issues have evolved under a reformed and restructured sub-sector. The new Master Plan will also mainstream and integrate renewable energy projects under the FiT policy into the planning process. The new Master Plan is expected to be complete by December 2015 alongside two Medium Term Plans. The consultant, Lahmeyer International, has developed new tools and trained the planning team in the use of the new tools and advanced planning techniques. The planning team, which includes members from across the energy sector and other participating institutions from the public sector are key to the development and implementation of the Master Plan and will play a key role in updating it periodically. The Energy balance in the electricity sub-sector indicates the generation, supply and demand information as well as total system losses. From the year 2010/11 to the year 2015, global generation increased from 7,303GWh to 9,280GWh. The number of customers connected to the national grid increased from 2,767,983 in 2014 to 3,611,904 in 2014/15 representing 30.5% growth in customer connection. There is a positive relationship between the generation capacity of the country and the number of customers connected to the national grid. The increase in demand can partly be explained by increased connections as



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well as the country's goal to transform to a newly industrialized economy (Emma, 2014-2015). According to Armstrong (2008) strategic international human resource management (SIHRM) is the process of planning how best to develop and implement policies and practices for managing people across international boundaries by multinational companies. The aims of SIHRM are to ensure that HR strategies, policies and practices are developed and implemented that will help the enterprise to operate profitably in a number of different countries and ensure that each unit can operate effectively within its context – its culture and the legal, political and economic factors that affect it. The research conducted by Brewster et al (2005) identified three processes that constitute global HRM practices such as; management and employer branding, global leadership through international assignments lastly managing an international workforce and evaluation of HR contribution. They found that organizations such as Rolls Royce had set up centers of excellence operating on a global basis.

They observed that global HR professionals are acting as the guardians of culture, operating global values and systems. It was established by Stiles (2007) that global HR policies and practices were widespread in the areas of maintaining global performance standards, the use of common evaluation processes, common approaches to rewards, the development of senior managers, the application of competency frameworks and the use of common performance management criteria. A study conducted in Nigeria by Fajana (2009) states that African countries are troubled by abundant labor and scare talent. Attracting, developing, deploying and retaining best talents had become a challenge. That is why Fajana and Ige (2009) argued that the desire for top performance has driven the need for effective management. HRM in Nigeria can be said to be 'still in Infancy' and lot of academic research is still required in this area. Lack of indigenous and comprehensive HRM models is one of the challenges facing HRM practices in Nigeria, which is why the majority of principles and practices evidence in workplaces in Nigeria are all adopted from other countries.

In Kenya, past studies have pointed to the increasing link of HRMP and performance of firms; studies indicate that those firms that adopt certain HRMP in the implementation of the human resource practices, policies and practices tend to achieve superior results compared to their competitors (Evans et al 2015). Kidombo et al (2012) also conducted studies to establish the role of HRM practices on organizational commitment in manufacturing firms in Kenya. They found out that the use of effective HRM practices is positively related to effective commitment in manufacturing firms in Kenya. Although most researches dwell on financial performance, there is a need for a balanced approach that considers non-financial measures dwelling on HRM effectiveness (Shedrack et al 2012). The ministry of Energy and Petroleum in Kenya comprises of various agencies or statutory bodies within the energy sector. The agencies that would form part of the research includes; Energy Regulatory Commission (ERC), Kenya Power & Lighting Company Limited (KPLC), Kenya Electricity Generating Company Limited (KenGen), Rural Electrification Authority (REA), Geothermal Development Company Limited (GDC) and Kenya Electricity Transmission Company Limited (KETRACO) (Kenya, 2016).

State Corporations are envisioned as playing a crucial role in promoting and /or accelerating economic growth and development that will drive the social and economic transformation of Kenya. The current emphasis on national policies has been on job creation as a way of wealth creation and labor productivity to increase the growth domestic product (GDP) in attainment of the overall target. This has been key in adopting best HRM practices and making them a priority to drive up labor productivity in state corporations. Performance of the state-owned enterprises has been a matter of ongoing concern in an environment of resource scarcity and mounting needs. The aim of Kenya's Vision 2030 is to create; "a globally competitive and prosperous country with a high quality of life by 2030". It aims to transform Kenya into "a newly-industrializing, middle-income country providing a high quality of life to all its citizens in a clean and secure environment". On energy, the Vision 2030 notes that currently the energy costs in Kenya are higher than those of her competitors in the face of growing energy demand. It therefore prioritizes the growth of energy generation and increased efficiency in energy consumption. This will be achieved through continued institutional reforms in the energy sector, including a strong regulatory framework, encouraging private generators of power, and separating generation from distribution, as well as securing new sources of energy through exploitation of geothermal power, coal, renewable energy sources, and connecting Kenya to energy-surplus countries in the region (Kwame, 2015).

According to Kwame (2015) while significant gains in infrastructure development have been realized over the last 5 years, Vision 2030 notes that Kenya's global competitiveness is still weak, especially in the following areas such as energy cost whereby in Kenya, the cost is US\$0.150 per KWh. This compares poorly with Mexico (US\$0.075), Taiwan



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and China (US\$0.070), Colombia (US\$0.064) and South Africa (US\$0.040). Over-reliance on hydroelectricity, the frequency of power outages is high (33 per cent compared with the average for Mexico, China and South Africa, which stands at 1 per cent). Production lost due to these outages is approximately 9.3% (compared with the average for Mexico, China and South Africa, which stands at 1.8 per cent). It takes approximately 66 days to obtain electricity connection in Kenya (compared with an average of 18 days in Mexico, China and South Africa). In addition, the total water availability in Kenya is currently about ~937 m3/capita, which is far below the average for Africa (~4,500 m3/capita) whereby the system losses unaccounted-for-water losses average 60 per cent while electricity transmission losses average 18.5 per cent. This however does indicate that the economy is yet to achieve its target of 10% annual GDP growth rate per capita and may therefore be viewed as a rough indicator towards the nation's prosperity. In addition, the state corporation's performance has been mixed, characterized by notable successes, but also significant failures according to the economic survey that was done in 2013, formal wage employment in the parastatals has been declining in both absolute numbers, as well as its share of the formal wage employment (Abdikadir & Jane, 2013).

A useful way to measure the productivity of a workforce is to determine the total cost of people required for each unit of output (Robert and John 2008). They have the undeniable potential to support the realization of Kenya Vision 2030. This study therefore aimed to fill in the research gap by determining the influence of human resource management practices on employee performance in the energy sector in Kenya.

II. METHODOLOGY

Descriptive research according to Kothari (2007) is studies which are concerned with describing characteristics of a particular element or factor. Collis and Hussey (2009) define descriptive research as a study which aims at describing the characteristics of a particular phenomenon e.g. income, age or in this particular case evaluate the influence of human resource management practices on the performance of employees in the energy sector. In this study descriptive design was used. Descriptive research gives researchers an opportunity to use both qualitative and quantitative data in order to find data and characteristics about the population or phenomenon that is being studied. The target population in this study consisted of 644 employees who were based in Nairobi's headquarters' in the human resource, finance and ICT department in each agency. The total number of the agencies that under study were six (6) and are spread across the country. They are ERC, KPLC, KenGen, REA, GDC and KETRACO. The research adopted a stratified random sampling technique in selecting the sample. Kothari (2006) views a sample frame as all items in any field of inquiry that constitute a "Universe" or "Population". The sampling frame of the study consisted of 240 employees.

This research adopted a stratified random sampling technique to select the sample size for the study. According to Ranjit (2011) in stratified random sampling, a researcher attempts to stratify the population in such a way that the population within the stratum is homogenous with respect to the characteristics chosen as the basis of stratification are clearly identifiable in each study population. According to Baird (2007), stratified sampling technique produces estimates of overall population parameters with greater precision and ensures that a more representative sample is derived from a relatively heterogeneous population. This helps to reduce the standard error by providing some control over variance.

According to Orodho (2009) stratified random sampling is considered appropriate since it gives all respondents an equal chance of being selected and thus it has no bias and eases generalization of the findings. The study sought to group the population into various strata according to the categories of various staff. Simple random sampling was also involved in selecting the respondents from each population subgroup/strata. The sample size of the study included subjects, which were the representative of the population size of 240. The use of sample enabled the researcher to save time and costs associated with studying the entire population (Mark Saunders, et al, 2009). Table 1 shows the strata.

Category of staff Agencies Total Sample Size **ERC Human Resources** 4 1 5 Finance 2 5 2 **ICT KPLC Human Resources** 19 50 Finance 90 34 **ICT** 70 26

Table 1: Sampling Frame



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KenGen	Human Resources	30	11
	Finance	80	30
	ICT	60	22
REA	Human Resources		4
	Finance	50	19
	ICT	30	11
GDC	Human Resources	10	4
	Finance	50	19
	ICT	40	15
KETRACO	Human Resources	20	7
	Finance	30	10
	ICT	10	4
Total		644	240

Both primary and secondary data was used as instruments for data collection. The major primary data collection instrument that was used involved the structured questionnaires that allowed for uniformity of responses to questions. Questionnaires give the research a comprehensive data on a wide range of factors. Questionnaires were dropped with respective departmental staff for them to fill and later collected. A 10% pilot study was undertaken to test the validity and reliability of data collection instruments. Saunders (2007) explained that pilot- testing helps to refine the questionnaire so that respondents have no problem in answering the questions and there will be no problem in recording the data. Pilottesting of instruments was done to ensure that items in the questionnaire are stated clearly and have the same meaning to all respondents. The instruments were tested on respondents who were not part of the selected sample. During the pretesting the researcher also assessed the clarity of instruments. The information gathered during pre-testing was helpful in revising the instrument. Before the actual study, the questionnaires were discussed by the supervisors to ascertain content validity. The feedback from the supervisors and the experts helped in modifying the questionnaires. Validity is the accuracy and meaningfulness of inferences, which is based on the research results. 10% questionnaires were piloted by issuing them to randomly selected respondents at the energy agencies to test the reliability of the research instrument. The questionnaires were coded and responses input into statistical program for social sciences (SPSS) version 22 which was used to generate the Cronbach's reliability coefficient. Cronbach's Alpha (α) was used to measure internal consistency of the research instrument in this study. The used a Cronbach's Alpha (α) coefficient of 0.7 as a threshold of reliability (Mugenda & Mugenda, 2003).

In this study, data collected from the respondents was tabulated, coded and analyzed to deduce relationships between the variables using the statistical program for social sciences (SPSS) software version 22. Analyzed data was presented using tables, graphs and charts (Mugenda & Mugenda, 2003). Frequency distribution tables and percentages were used in the study to capture the characteristics of the variables. The study employed inferential statistics such as multiple linear regression and bivariate correlation to analyze the relationship between the dependent variable and the independent variables. The independent variables in the study were: Recruitment and selection, Reward and compensation, Human resource development and Employee engagement while the dependent variable was Employee performance. The study presented study results using frequency distribution tables, graphs and pie charts to deduce the relationship between the variables. Multiple linear regression was used to determine the relationship between Recruitment and selection, Reward and compensation, Human resource development and Employee engagement and how they predict Employee performance in the energy sector in Kenya. The multiple linear regression equation that was used in the model was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where:

Y = Employee performance (Dependent Variable)

X1 = Recruitment and selection (Independent Variable)

X2 = Reward and compensation (Independent Variable)

X3 = Human resource development (Independent Variable)

X4 = Employee engagement (Independent Variable)



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In the model, $\beta\theta$ = was the constant term while the coefficients $\beta_i i = 1......4$ were used to measure the sensitivity of the dependent variable (Y) to unit change in the predictor variables X_1 , X_2 , X_3 and X_4 . ϵ was the error term which was used to capture the unexplainable variations in the model.

III. FINDINGS

The study total sample size was 240 respondents hence an equivalent number of questionnaires was administered by the study assisted by research assistants. The study recorded a response rate of 218 respondents that is 91% which was considered adequate for a descriptive study for analysis. This response rate was above threshold of about 50% suggested by various authors such Babbie (2004). The study attributed this response rate to frequent follow up and very industrious research assistants. The study conducted a pilot study prior to conducting the actual survey to test the validity and reliability of the research instrument. Table 2 presents the findings of reliability test that were computed using Cronbach's Alpha. The findings showed that the scale used in the questionnaire was reliable as it surpassed the threshold Cronbach's alpha value of 0.7 for all the variables as recommended by Serakan (2003). These findings implied that none of the items in the questionnaire were deleted after the pilot study. The questionnaire was adequate to be used in the final survey.

Variables Cronbach's Alpha **Number of Items Comment** 0.975 Recruitment and Selection 7 Reliable Training and Development 0.759 9 Reliable Reward and Compensation 0.852 10 Reliable Employees' Engagement 0.729 6 Reliable 0.975 **Employee Performance** 6 Reliable

Table 2: Reliability test results

Table 3 below shows the multi-factor Pearson correlation matrix. The findings presented in Table 4.10 revealed that there was no multicollinearity between the study independent variables. The correlation results also revealed a strong, positive and significant association (r=0.545, p=0.000) between recruitment and selection and employees' performance in agencies in energy sector in Kenya. The findings implied that positive recruitment and selection practices lead to positive employee performance. The study findings concurs with those of Steijn and Leisink (2006) who concluded that there was a strong relationship between organizational commitment and HRM practices in the public sector. Tabiu and Nura, (2013) also argued that HRM practices can enhance the employee's level of performance which influence the perception of employees about performance. The correlation results further revealed a strong, positive and significant association (r=0.76, p=0.000) between human resources training and development practices and employees' performance in agencies in energy sector in Kenya. Similarly, the study findings implied that positive human resources training and development practices lead to positive employee performance. According to Stephen et al (2017) it is crystal clear from the analysis that proper training and development of an employee impacts positively on both the employee and the organization.

Recruitment Training and Reward and **Employee Employee** and Selection Development Compensation Engagement Performance Recruitment and Selection Pearson Correlation Sig. (2-tailed) Training Development Pearson Correlation 0.604 1 Sig. (2-tailed) 0.000 Reward 0.518 0.654 Compensation Pearson Correlation 0.000 0.000 Sig. (2-tailed) **Employee** Engagement Pearson Correlation 0.443 0.581 0.409 Sig. (2-tailed) 0.000 0.000 0.000

Table 3: Pearson Correlation Matrix



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Employee						
Performance	Pearson Correlation	0.545	0.76	0.53	0.646	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	219	219	219	219	219

The correlation analysis results established a strong, positive and significant association (r=0.53, p=0.000) between reward and compensation practices and employees' performance in agencies in energy sector in Kenya. The study findings implied that positive reward and compensation practices lead to positive employee performance. In a study conducted by Irshad (2016) on the impact of extrinsic rewards on employee's performance it was evident that the study has revealed the factors that Salary and working conditions impact the employee performance. Brian Murphy (2015) in his research, the impact of reward systems on employee performance, identified that managing your reward structure and systems within an organization can be a difficult task and can easily go wrong with extremely serious consequences for both organizational performance and productivity.

Finally, the correlation results revealed a strong, positive and significant association (r=0.646, p=0.000) between employee engagement practices and employees' performance in agencies in energy sector in Kenya. The study findings implied that positive employee engagement lead to positive employee performance. Solomon and Watair (2010) also posited that employee engagement is closely linked with organizational performance outcomes. Companies with engaged employees have higher employee retention because of reduced turnover and reduced intention to leave the company, productivity, profitability, growth and customer satisfaction. Studies by Robinson *et al* (2004) pointed out that the key driver of employee engagement is a sense of feeling valued and involved, which has the components such as involvement in decision making, the extent to which employees feel able to voice their ideas, the opportunities employees should develop their jobs and the extent to which the organization is concerned for employees' health and well-being.

Table 4 below illustrates the regression statistics of the study variables. Regression modeling was adopted to link the independent variables to the dependent variable. According to Kothari (2014), regression is the determination of a statistical relationship between two or more variables. In simple regression, there are two variables, one variable (defined as independent) is the cause of the behavior of another one (defined as dependent variable). According to the table, the R Square value for all the variables was 0.688. This meant that 68.8% of variation in the employee performance could be explained by recruitment and selection, HRM training and development practices, reward and compensation and employee engagement. The remaining percentage of 31.2% is explained by other variables which were not included in this study. These finding implied that these variables had a high explanatory power on the variation in employees' performance.

Table 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.829	0.688	0.682	0.41797

Table 5 below shows the ANOVA results for the variables of the study. F-test was carried out to test there is relationship between recruitment and selection, HRM training and development practices, reward and compensation employee engagement and employee performance. The ANOVA test in Table 5 shows the the statistical significance of the F-statistic which is 0.000 and is less than 0.05. This means that recruitment and selection, HRM training and development practices, reward and compensation and lastly employee engagement were significant predictor variables of employee performance. These findings also imply that the model linking independent variables to dependent variables was statistically significant.

Table 5: ANOVA STATISTIC

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	82.306	4	20.577	117.783	0.000
1	Residual	37.386	214	0.175		
	Total	119.692	218			

Table 5 shows the beta coefficients of the multiple regression model of the study. This study sought to test the conceptual model $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$



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The model after testing therefore became: Y = 0.389 + 0.3X1 + 0.262X2 + 0.202X3 + 0.139X4 + 0.151

Employee Performance = 0.389 + 0.3 (HR Training and Development) + 0.262 (Reward and Compensation) + 0.202 (Recruitment and Selection) + 0.139 (Employee Engagement) + ϵ

The multivariate regression analysis results revealed that recruitment and selection practices had a positive and significant (β =0.202, p=0.002) influence on employees' performance. These findings implied that having a unit increase in recruitment and selection practices increased the employees' performance by 0.202 units. The study findings concurs with those of Steijn and Leisink (2006) who concluded that there was a strong relationship between organizational commitment and HRM practices in the public sector. The regression analysis also established a positive and significant relationship (β =0.3, p=0.000) between HR training and development practices and employee performance.

The finding implied that a unit increase in HR training and development practices significantly and positively increased employees' performance by 0.3 units. According to Stephen et al (2017) it is crystal clear from the analysis that proper training and development of an employee impacts positively on both the employee and the organization. The regression analysis also revealed that reward and compensation had a positive and significant influence on employees' performance (β =0.262, p=0.000). The findings implied that increase in reward and compensation would results to significant increase in employees' performance. A unit increase reward and compensation would cause 0.262 units increase in employees' performance. In a study conducted by Irshad (2016) on the impact of extrinsic rewards on employee's performance it was evident that the study has revealed the factors that Salary and working conditions impact the employee performance. The study finally revealed that employees' engagement also had a positive and significant influence on employees' performance among agencies in energy sector in Kenya (β =0.139, p=0.008). The results implied that a unit increase in employee engagement would results in 0.139 units increase in employees' performance. The findings concur with those of Solomon and Watair (2010) who also posited that employee engagement is closely linked with organizational performance outcomes.

	β	Std. Error	Beta	t	Sig.
(Constant)	0.389	0.151		2.57	0.011
Recruitment and Selection	0.202	0.064	0.187	3.135	0.002
HR Training and Development	0.3	0.064	0.308	4.704	0.000
Reward and Compensation	0.262	0.056	0.294	4.688	0.000
Employee Engagement	0.139	0.052	0.156	2.67	0.008

Table 6: Beta Coefficients

IV. DISCUSSIONS

The purpose of the study was to investigate the effect of human resource management practices on the performance of employees in the energy Sector in Kenya. The specific objectives were to determine how recruitment and selection, training and development, reward and compensation and employee engagement affects the performance of employees in the energy sector in Kenya. The study adopted a descriptive research design and the target population was a total of 644 employees selected from the respective headquarters of the various agencies within the energy sector in Kenya. The employees were drawn from various Nairobi head office of these agencies. The study also applied stratified random sampling technique to select 240 respondents as the sample size for the study. Questionnaires were used as the main data collection instruments and a pilot study was conducted to pretest the questionnaire's reliability. In addition, descriptive statistics and inferential statistics were used to analyze the gathered data and the results were presented on tables, charts and graphs. The first objective of the study was to determine the extent to which recruitment and selection affect the performance of employees in Kenya. The overall descriptive analysis results confirmed that state agencies in energy sector in Kenya had proper recruitment and selection in mechanism that guided the recruitment process. These mechanisms included principle of equal regional balance and gender representation, fairness, transparency and qualification and experience.

The correlation results also revealed a strong, positive and significant association between recruitment and selection and employees' performance in agencies in energy sector in Kenya. The findings implied that positive recruitment and selection practices lead to positive employee performance. The multivariate regression analysis results further revealed



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that recruitment and selection practices had a positive and significantinfluence on employees' performance. These findings which implied that having sound recruitment and selection practices increase the employees' performance. The second objective of the study was to assess the extent to which human resource training and development practices affect the performance of employees in Kenya. The study measured human resource training and development practices using training techniques, learning and development programs, personal and career development and delivery reliability. The study descriptive analysis findings implied that some organization had adequate human resources training and development practices while others lacked such practices. These findings explained why some organizations had better employees' performance compared to others. The correlation results further revealed a strong, positive and significant association between human resources training and development practices and employees' performance in agencies in energy sector in Kenya. The study findings implied that positive human resources training and development practices lead to positive employee performance.

The regression analysis also established a positive and significant relationship between HR training and development practices and employee performance. The finding implied that increase in HR training and development practices significantly and positively affected employees' performance. This study also sought to assess the extent to which reward and compensation practices affect the performance of employees in Kenya. The overall descriptive analysis results showed that majority of the respondents agreed with the statements on rewards and compensation in their organizations, which implied that they were contented with the type of rewards and compensation offered by their organizations. The correlation analysis results established a strong, positive and significant association between reward and compensation practices and employees' performance in agencies in energy sector in Kenya. The study findings implied that reward and compensation practices lead to positive employee performance. The regression analysis also revealed that reward and compensation had a positive and significant influence on employees' performance. The findings implied that increase in reward and compensation would results to significant increase in employees' performance. A unit increase reward and compensation would cause 0.262 units increase in employees' performance.

The final objective of this study was to establish the extent to which employee engagement practices affect the performance of employees in Kenya. Descriptive analysis results revealed that majority of the agencies score well on the level of their employees' engagements this because majority of the respondents agreed and strongly agreed with most of the statements used to measure employees' engagement. The correlation results revealed a strong, positive and significant association between employee engagement practices and employees' performance in agencies in energy sector in Kenya. The study findings implied that positive employee engagement lead to positive employee performance. The regression analysis results revealed that employees' engagement also had a positive and significant influence on employees' performance among agencies in energy sector in Kenya. The results implied that a unit increase in employee engagement would results in 0.139 units increase in employees' performance.

V. CONCLUSIONS

The study concluded that agencies in energy sector in Kenya adopted recruitment and selection practices, HR training and development practices, reward and compensation and finally employee engagements practices that enhanced the performance of their employees. The study concluded that recruitment and selection that enhanced performance included recruitment processes that ensured that the organization identified potential employees and ensured that they are placed in the right job, fairness, transparency and qualification and experience based recruitment and selection practices. Such practices ensure organizations land the right people in the right job positions which positive influences employee performance. The study also concluded that ensuring continues HR training and development programs contributed positively in enhancing the performance of employees. The study concludes that organizations should prioritize personal career development of employees to boost their performance at work.

This study also concluded that employees considered salaries and other benefits that are comparable to the market, good recognition when they perform highly in their respective job, opportunities for promotions available for all employees, recognition and rewarding of individual excellence and finally salary increment policy that guides the employees once they reach their set goals and targets as the best reward and compensation policies to have the highest impact on individuals employees performance. Finally, the study concluded that having employees that engaged in their work commitment positively enhanced the employee performance. Some of the practices the study found to influence employee engagement included having social engagements and allowing employees to practice on various employee engagement drivers within the organization.



Vol. 5, Issue 3, pp: (21-35), Month: May - June 2018, Available at: www.noveltyjournals.com

VI. RECOMMENDATION AND SUGGESTIONS

The findings of this study revealed that recruitment and selection practices, HR training and development practices, reward and compensation practices and finally employees' engagement practices significantly influenced employee performance. The study recommends that state authority such Public Service Commission through relevant directorate should formulate policies to ensure all state agencies and institutions have relevant human resources management practices that ensure high employees performance. The study further recommended that individual state agencies and institutions facing low employees' performance should revise the existing or formulate new policies on reward and compensation, recruitment and selection, HR training and development and finally organizational employees' engagement drivers to rejuvenate employees' performance. It is important that state agencies employ strategic human resource management practices that enable such organizations to realize the Vision 2030 thus gaining a competitive advantage. The study recommended that management of the state agencies or any other organization should ensure that current employees are made aware regarding the existing vacancies and encouraged to apply this ensures that employees view their recruitment and selection policies as fair, transparent and lacks prejudice which enhances the performance employees. Similarly, the study recommended that senior management should ensure that recruitment at their organizations should be made free from of nepotism, favoritism and political consideration to ensure that hire the right people and right people are promoted to more senior position. The study also recommended that management of state organization or private organization should ensure that training and development policy is applicable to all employees equal to ensure there are no biases which affect the level of employee performance. The study further recommended that supervisors should provide regular trainings to improve employee knowledge, skills and competencies hence help generate staff commitment towards achieving organizational goals and objectives.

The study also recommended that management of organizations should ensure that their organizations offers competitive good benefits package and that compensation for employees is directly linked to both individual as well as team performance. Finally, the study recommended that organization management should ensure that all employees are involved and participate in decision making in the organizations. The study suggested that a similar study should be conducted in different sectors focusing on similar variables to build enough empirical evidence on the influence of Human resources management practices on employees' performance. The study also suggested that further researcher interested on establishing the factors contributing to employee's performance should focus on other variables that account for the remaining 31.2% of the variation in employee performance since 68.8% of variation in the employee performance could be explained by recruitment and selection, HRM training and development practices, reward and compensation and employee engagement.

This study focused on state owned corporations, specifically the energy sector in Kenya and therefore, generalizations cannot adequately extend to other sectors. Based on this fact among others, it is therefore, recommended that a broad-based study covering other sectors in Kenya be done to find out the relationship between strategic human resource management practices and their performance. It is also suggested that future research should focus on other strategic human resource management practices on organizational performance.

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