



## CONTRIBUTION OF STAFF PERFORMANCE MANAGEMENT ON ACHIEVEMENT OF INSTITUTIONAL PERFORMANCE, NAROK COUNTY GOVERNMENT

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**Abstract:** *The purpose of this study was to assess the contribution of Performance Staff Management in Achieving institutional performance. A multi-respondent survey of qualitative and quantitative data was collected using questionnaires from the 400 staff selected through purposive and stratified sampling from a population of 2496 from Narok County Government. The data collected using self administered questionnaires was analyzed using descriptive statistics; Percentages, Mean and Standard deviation and inferential Statistics; Factor Analysis, Pearson Correlation Coefficient, and Chi-square. The study findings show that there is an association between the variable of the study and the dependent variable. It is noted that there is a strong positive association between performance management and institutional performance with a Pearson's R of 0.624, Phi of 2.766 and a cramer's V of 0.556 and both have a P- value of 0.000. Pearson chi square is 2425.510 with 837 degrees of freedom and a p- value of 0.000. The critical chi square factor at 850 degrees of freedom is given as 932.689 which is below the calculated factor of 2425.510. This means that there is a significant association between training and development and the performance of county governments in Kenya. The study therefore recommends that institutions should emphasize on implementation of effective performance management practice in the achievement of institutional performance of Narok County Government. The findings are useful to the government of Kenya, Narok County Government, staff and contribute to the knowledge gap.*

**Keywords:** *Staff, Performance Management, Institution*

### 1.0 INTRODUCTION

Most organizations have gone through the process of ensuring they measure the performance of their staff on pre-set and clearly marked Key Performance Indicators (KPIs) and the need to gauge their individual and departmental performance on actual output. According to Bae and Lawler (2000), Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the



performance and developing the capabilities of teams and individuals. The term performance management gained its popularity in early 1980's when total quality management programs received utmost importance for achievement of superior standards and quality performance. Tools such as job design, leadership development, training and reward system received an equal impetus along with the traditional performance appraisal process in the new comprehensive and a much wider framework. Performance management is an on-going communication process which is carried between the supervisors and the employees throughout the year. The process is very much cyclical and continuous in nature. A performance management process sets the platform for rewarding excellence by aligning individual employee accomplishments with the organization's mission and objectives and making the employee and the organization understand the importance of a specific job in realizing outcomes.

By establishing clear performance expectations which includes results, actions and behaviours, it helps the employees in understanding what exactly is expected out of their jobs and setting of standards help in eliminating those jobs which are of no use any longer. Through regular feedback and coaching, it provides an advantage of diagnosing the problems at an early stage and taking corrective actions. According to Ahmad & Schroeder (2003), Performance management involves many roles one needs to be a communicator, a leader, a role model and a collaborator. Each Individual member of the team needs to understand exactly their responsibilities and expectations and the supervisor should work to help them achieve the goals and that motivation increases when roles are clear, employees likely to take ownership of their work and committed to the outcome when expectations are clear hence the effectiveness of team members. Performance management can be regarded as a proactive system of managing employee performance for driving the individuals and the organizations towards desired performance and results.

It is the only way that the performance of individual members of the county governments can measure their effectiveness and accountability. There exists a lot of skills gap in the County Governments and inherited unskilled and illiterate workforce that can never drive the devolution train to its destination. Performance management Systems are still lacking since most Counties do not even have proper offices and therefore Human Resource policies are sparingly absent and the making of decisions based on adhoc compromises. There are



clear policies on the various aspects of Human resource management in Mombasa County it will be hard in making decisions and there is likely to be several incidences of inconsistencies and unfairness in handling staff issues. Most of the County officers lack training both Technical and experiential since most of them have been brought on board as politically correct individuals hence it becomes hard to apprehend them in the event of failure to perform. If the recruitment process is wrong then there becomes a big problem in managing them daily to make them have any contribution (Ulrich, 1997).

### **Problem Statement**

Since, Kenya adopted a devolved system that led to the formation of forty-seven County Governments (GoK, 2010). The contribution of SHRM practice in government institutions performance from different sectors and contexts of devolved systems has not been assessed. On Narok County for example, Auditor General in his Audit report of June 2013 noted that the county is faced with a Human resource challenge because of unqualified staff, mismatch in qualification and placement. Complaints have been raised on employment criteria's, Intellectual Capital availability, Management of resources, Corruption, staff morale, staff turnover and completion and distribution of projects (Koisaba 2015). Based on these claims the NCG Governor reshuffled his cabinet and 22 Chief Officers while giving warning for possible retrenchment of ninety non performing County Staff. One Political Advisor was sent home. It is against this background that this study was conducted in order to examine the contributions of Performance Management practice in achieving institutional performance of Narok County Government.

### **Study Objectives and Hypothesis**

To establish whether Staff performance management contributes to the Achievement of institutional performance of Narok County Government.

**H<sub>01</sub>:** There is no relationship between staff performance management and achievement of institutional performance.

### **Justification, Scope and Limitations of the Study**

The aim of this study was to assess how best we can achieve institutional performance using Performance management practice in Kenyan County Governments. This was achieved through a careful examination and investigation of the factors that contributes to strategic



human resource management practices in achieving institutional performance in Narok County Government.

This study helps employees improve their skills in understanding the importance of Performance Management to their performance. Management of County Governments will be improved through measures that enable workers to better apply Performance Management techniques at work and thereby improve on their performance. This enables County Governments execute their mandate of service delivery more efficiently to all residents within their areas of jurisdiction assisted by effective and efficient workers. The study also assist scholars of HRM understand the factors contributing to the use of SHRM in current management of institutions.

It also provides new knowledge and insight into the organization of high organizational performance hence assist the development of programs that can help institutions better their performance and thus contribute to social and economic development of the whole country.

The study focused on the workers currently employed and working in the County Government and their respond on the factors that relate to Performance Management and how it contributes to the achievement of institution performance in Kenya. It also concentrated on decentralization involving the transfer of power from central government to regional government.

The findings of this study may have been affected by the limitation of it capturing views from respondents only from Narok County Government. This makes it difficult to compare the findings of the respondents from Narok County Government with respondents from other County Governments in Kenya which is usually important in spotting bias of respondents. Some respondents may have feared giving information that Narok County Government was not fairing on well in performance. This is because all the departments said that they were performing quite well while this may not be true since some of the departments have been documented to be having performing poorly.

The fact that County Governments are less than three years old in Kenya was also a limitation on literature review.



## 2.0 RESEARCH DESIGN AND METHODOLOGY

### Research Design

The study used a survey research design to collect data from the target population using self-administered questionnaires. A mixed method approach utilizing both qualitative and quantitative methods was adopted. Qualitative approach was used to supplement and strengthen the quantitative aspects and provide an opportunity for the researcher to observe the application of HRM strategies first hand.

### Target population

The study targeted a total population of 2496 who were staff working in Narok County Government distributed in all Ministries and departments. The target population was stratified as shown in Table 3.1.

**Table 3.1: Target population**

	Executives	Chief Officers	Directors	Managers/ PSB Members	Staff	Total
County Service Board	-	-	-	7	3	10
Education	1	1	0	0	478	480
Transport and Public Works	1	2	1	2	28	34
Health	1	2	1	0	661	665
Agriculture	1	1	1	0	218	221
Natural Resource and Forestry	1	2	1	0	502	506
Public Administration/ Service	1	2	0	6	120	129
Treasury and Economics	1	1	1	2	318	323
Co-operatives	1	1	1	1	6	10
Livestock and Fisheries	1	1	1	0	72	75
ICT	1	1	1	1	6	10
County Assembly	0	1	0	0	32	33
	10	15	8	19	2444	2496

### Sample design

A sample of 400 employees, which fulfils the requirements of efficiency, representativeness (Kothari, 2004; Mugenda & Mugenda, 2012), reliability and validity, was selected. The Yamane formula for calculating sample sizes was used to calculate the sample size at 95% confidence level and  $P = 0.5$ . Where  $n$  is the sample size,  $N$  is the population size, and  $e$  is the level of precision.



$$n = \frac{N}{1 + N(e)^2}$$

$$n = 2496 / (1 + 2496(0.05)^2)$$

$$n = 2496 / (1 + 2496(0.0025))$$

$$= 2496 / 6.24 = 400$$

The sample size is shown in Table 3.2.

**Table 3.2: Sample selection from the strata**

	Executives		Chief officers		Directors		Managers/ PSB Members		Other Staff		Total	
	N	N	N	N	N	N	N	N	N	N	N	N
County Service Board	0	0	0	0	0	0	7	7	3	1	10	8
Education	1	1	1	1	0	0	0	0	478	67	480	69
Transport and Public Works	1	1	2	2	1	1	2	2	28	4	34	10
Health	1	1	2	2	1	1	0	0	661	93	665	97
Agriculture	1	1	1	1	1	1	0	0	218	31	221	34
Natural Resource and Forestry	1	1	2	2	1	1	0	0	502	71	506	75
Public Administration	1	1	2	2	0	0	6	6	120	17	129	26
Treasury and Economics	1	1	1	1	1	1	2	2	318	45	323	50
Co-operatives	1	1	1	1	1	1	1	1	6	1	10	5
Livestock and Fisheries	1	1	1	1	1	1	0	0	72	12	75	15
ICT	1	1	1	1	1	1	1	1	6	1	10	5
County Assembly	0	0	1	1	0	0	0	0	32	5	33	6
	10	10	15	15	8	8	19	19	2444	348	2496	400

The study purposively use all Executives, Directors, managers and the Public Service board Members who accounts for 52 individuals who formulates and foresee the implementation of HR Strategies. The study also drew 14% of each department employees using strata method as shown on table 3.2.

### Data Collection Instruments

The study collected both primary and secondary data using various means. Primary data was collected using self administered questionnaires from the respondents. Secondary data was collected from relevant documentaries as well as counties documentations. The questionnaire was formulated using Likert scale type of questions that are close ended. This



enables the researcher to study the employee's perception on effect of HR strategies on institutional performance. Since the research was done under some limitations, a combination of the said methods was used for effective analysis and presentation of data in an orderly logical manner.

### **Pilot Test**

A pilot test was carried out to test the validity and reliability of research instruments before the study is conducted. A sample of 40 experts in the field of HRM was used to provide input and suggestive feedback on the validity of the survey instruments. This was 10% of the sample size as suggested by Mugenda & Mugenda (2012).

A Cronbach's coefficient alpha scale of 0-1 was used to determine the internal reliability of research instrument and an alpha of 0.7 and above was considered suitable for any study (Schuler, Jackson & Storey, 2001). The reliability of instruments was tested and a Cronbach's Alpha of 0.98 was realised. The instruments were hence accepted.

### **Data Collection Procedures**

Self-administered questionnaires were used to collect data using research assistants in 3 weeks. In the event that the questionnaire was not received, a follow up telephone call, email or personal appearance was done and additional copies of the questionnaire were administered.

### **Data analysis procedures**

After successive data collection, the collected data was organized for processing. This involved; coding the responses, tabulating the data and performing several statistical computations. Using SPSS statistical software, the study employed both descriptive and inferential statistics to analyse data collected and organized. Descriptive statistics; Frequencies, Percentages, Mean, Standard Deviation and Kurtosis was calculated on the independent variables to summarize and describe the data collected. This helps in determining the extent of staff Resourcing, Training and Development, Performance Management, Appraisal, Reward management in Achieving Institutional performance in Narok County Government. Inferential statistics; Correlation, Chi-Square, and Pearson Correlation Coefficient test was used to determine relationships, check the normality of variables, and make generalizations about the characteristics of populations based on data collected from the sample as follows in all objectives.



### **Parametric Tests**

In the study parametric tests were used to estimate the population parameter. Because this estimation process involves a sample, a sampling distribution, and a population, certain parametric assumptions are required to ensure all components are compatible with each other. It's used where the following three assumptions have been observed: Observations are independent, where the sample data have a normal distribution and Scores in different groups have homogeneous variances. In this study the following parametric tests were used.

### **Correlation Analysis**

Correlation analysis was used to find out relationships between Variables; contributions of strategic human resource management practices in achieving institutional performance of Narok County Government. Using Pearson Correlation Coefficient, the study expressed the extent to which the variables are related.

### **Pearson's correlation coefficient**

The study used a Pearson's correlation coefficient to measure the linear correlation between two variables. The result is measured on a value between +1 and -1 inclusive, where 1 is total positive correlation, 0 is no correlation, and -1 is total negative correlation. It was also used as a measure of the degree of linear dependence between the two variables.

### **Non-parametric tests**

The study used this method to test Distribution free statistics that do not require that the data fit a normal distribution. It also requires less restrictive assumptions about the data and allow for the analysis of categorical as well as rank data.

### **Chi-Square**

Chi-Square statistic is used in the Test of Independence among various variables of a study. In this study the test was used to investigate whether distributions of categorical variables differ from one another. To make a conclusion about the hypothesis with 95% confidence, the value of significance, that is the  $p$ -value of the Chi-Square statistic should be less than .05 (which is the alpha level associated with a 95% confidence level). If the  $p$ -value < .05 and the critical chi square value is less than the computed value then it is concluded that the variables are dependent in the population and that there is a statistical relationship between the categorical variables.





### **Factor Analysis**

In this Study Factor analysis was used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. The information gained about the interdependencies between observed variables was used in the study to reduce the set of variables in a dataset. This technique is equal to low-rank approximation of the matrix of observed variables.

Exploratory factor analysis (EFA) using varimax rotation method was used to determine Component Matrix with the application of Kaiser-Meyer-Olkin measure (KMO). KMO results ranged from 0 to 1, and a factor loading of 0.4 and above accepted for a good factor analysis and all items that had a factor loading of below 0.4 were removed from the analysis. Bartlett's test of sphericity for independent and dependent variable was used with significance level tested at less than 0.05 according to Pallant, (2005).

Moreover, correlation and chi square were used to explore the relationship and associations between independent variables and dependent variables.

### **Ethical Issues**

Kothari (2004) identified ethical concerns in research as voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To control any ethical issues the researchers encouraged Voluntary participation of respondents in order to reduce low response rate which can in turn introduce response biasness. Based on this argument, multiple contacts were necessary, in this study two contacts were made per potential participant. This was meant to monitor the progress on response rate and solve any technical problems from the respondents. Anonymity and confidentiality was provided to protect respondent's identity. A cover letter was used to introduce the subject matter of the study and the researcher. The researcher assumed the responsibility to report problems and weaknesses experienced as well as the positive results of the study.

### **3.0 RESEARCH FINDINGS AND DISCUSSION**

This chapter presents the analysis of data as summarized by SPSS. The chapter is organized to present the response rate, the demographic data, and descriptive data based on the objectives. It also presents factor analysis as per the objectives, correlation, and Chi Square analyses regarding the study objectives.



For this section descriptive statistics were applied to give summary of the demographic data of the samples and their characteristics. Exploratory factor analysis (EFA) using varimax rotation method with the application of Kaiser-Meyer-Olkin measure (KMO) and Bartlett's test of sphericity for two groups of independent and one dependent variable. Moreover, correlation and multiple regressions were used to explore the relationship between independent variables, mediating variables and dependent variables. The results of the EFAs showed that the KMO was .898 for the group of dependent, and independent variables. Technically, KMO which ranges from 0 to 1, should be higher than the factor loading of 0.4 to be considered as an acceptable value for a good factor analysis and the Bartlett's test of sphericity significant level must be smaller than 0.05 (Pallant, 2005).

### Findings of the Study

The findings of the study were presented in this section after tabulation, data analysis and interpretation.

### Response Rate

The study distributed a total of 400 questionnaires and only 342 were returned and used for the analysis. This is 85.5% which was considered appropriate. According to Marton (2006) a response rate above 70% is considered appropriate for a descriptive study. The distribution of responses according to the departments is presented in table 4.1

**Table 4.1: Departments**

Departments	Frequency	Percent
Education, Social work, Youth and Gender	63	18.4
Agriculture, Livestock & Fisheries	26	7.6
Health	61	17.8
Transport & Roads	20	5.8
Tourism, Trade & Industry	49	14.3
Environment, Water & Natural Resource	16	4.7
Finance, Economic Planning & ICT	41	12.0
Administration Coordination of Decentralization & Disaster Management	26	7.6
Land& Urban Planning	8	2.3
County Assembly	20	5.8
Public Service Board	12	3.5
Total	342	100.0

The results on table 4.1 shows that majority 63(18.4%) of the respondents who participated in the study were from the Education, Social work, Youth and Gender departments at the



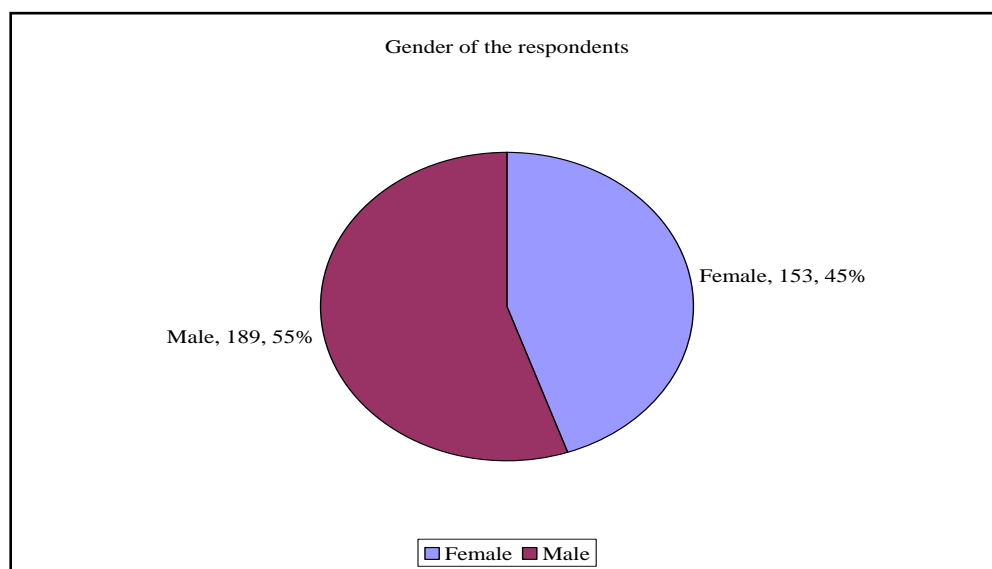
county government. This was followed by health with a response rate of 61(17.8%), while Lands and Urban planning had the least number of respondents 8(2.3%). This was quite proportional to the number of employees in these departments with Education, Social work, Youth and Gender departments having the highest number of employees in the entire county.

### Demographic data

Demographic variables are important in any descriptive survey because they have an influence on the response. For this study the gender, duration of service, engagement level and duration of service were considered.

### Gender of the Respondents

Gender is an important factor in a social study as it helps to give a picture on how male or female responses perceive a certain situation. The response from the study is presented in figure 4.1.



**Figure 4.1 Genders of the Respondents**

The results in figure 4.1 show that the number of males who participated in the study was 189(55%) while the number of female was 153(45%). This reflects a small disparity between the employees in the county government.

### Engagement Level

The study sought to establish the level of engagement by the respondents in order to establish the distribution of the respondents. This was presented in table 4.2.



**Table4.2: Engagement Level of the Respondents**

Level of engagement	Frequency	Percent
Executive	7	2.0
Chief Officer	7	2.0
Director	6	1.8
Manager	23	6.7
Employee	299	87.5
Total	342	100.0
Mean	4.75	
Standard Deviation	.768	
Kurtosis	12.885	
Std. Error of Kurtosis	.263	

The results presented on table 4.2 shows that 87.5 % of the respondents were employees with only 12.5% representing the management level.

#### **Duration in Service**

It was also important to establish the duration of service among the respondents. Majority of the respondents 227( 66.4%) have worked for the county government for between 1- 5 years while only 10(2.9%) , 52(15.2%) have worked for between 6-10 years, 15(4.4%) have worked for between 11-15 years, 16( 4.7%) have worked for 16-20 years, 22(6.4%) have worked for 21-25 years while 10(2.9%) had worked for more than 26 years meaning most of the employees at the county government were hired when the county government come into existence while the rest were adopted from the former Local government and secondment from the National Government. The results indicate a mean of 1.78 and a standard deviation of 1.378.

#### **Effect of Performance Management on Institutional Performance**

The study also sought to establish whether Pperformance Management Improves Institutional Performance Of Narok County Government. factor analysis was done to determine the suitability of the factor to be used in further analysis. The values of KMO and bartlett sphericity was determined and used to check the suitability of the items defining the objectives. The findings were presented in table 4.15.

**Table 4.15: KMO and Bartlett's Test**

<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.868
	Approx. Chi-Square	1156.014
Bartlett's Test of Sphericity	Df	28
	Sig.	.000



The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.868 with a Bartlett's test of sphericity being less than 0.05. This indicates that the factors are suitable for further analysis. The actual factor loadings were presented in table 4.16.

**Table 4.16: Component Matrix<sup>a</sup>**

Items	Component
Performance Management Practices are included in the County HR Policies.	.463
I have participated in the performance evaluation process last financial year and received feedback on my job performance.	.711
Performance Review meetings are held annually at the department level and am comfortable with the way it's carried out.	.678
Performance Management is a continuous process within the county government and has improved organization performance.	.800
The process is conducted professionally without any biasness and this motivates employees' hence high performance.	.713
The implementation of other strategies; Acquisition, Training and Development, Appraisal and Reward has been effective because of Performance management.	.807
The County Overall performance has improved due to continuous performance management Strategy.	.811
The County Performance rate compared to other counties and regions is encouraging.	.748

The objective was measured by using nine statements out of which only 8 statements met the expected threshold of a factor loading of 0.4 and above. The results show that one factor did not meet the expected factor loading and hence was eliminated from the statement and hence was not used for further analysis. The factor with the highest loading was indicating that County Overall performance has improved due to continuous performance management Strategy while the factor with the lowest factor loading was Performance Management Practices are included in the County HR Policies.

### **Descriptive Analysis**

For descriptive analysis the study considered only the 8 factors that met the loading of 0.4 and above. The descriptive analysis was computed to determine the mean, standard deviation, percentages and frequencies was computed and presented on table 4.17.



**Table 4.17: Descriptive analysis**

	i	ii	iii	iv	v	Vi	Vii	Viii
Strongly Disagree	19 (5.6)	83 (24.3)	62 (18.1)	51 (14.9)	50 (14.6)	64 (18.7)	35 (10.2)	41 (12.0)
Disagree	38 (11.1)	99 (28.9)	83 (24.3)	62 (18.1)	85 (24.9)	61 (17.8)	74 (21.6)	79 (23.1)
Neutral	85 (24.9)	70 (20.5)	90 (26.3)	73 (21.3)	76 (22.2)	88 (25.7)	85 (24.9)	84 (24.6)
Agree	138 (40.4)	67 (19.6)	62 (18.1)	99 (28.9)	90 (26.3)	66 (19.3)	101 (29.5)	96 (28.1)
Strongly Agree	62 (18.1)	23 (6.7)	45 (13.2)	57 (16.7)	41 (12.0)	63 (18.4)	47 (13.7)	42 (12.3)
<b>TOTAL</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>
Mean	3.54	2.56	2.84	3.14	2.96	3.01	3.15	3.06
Std. Deviation	1.081	1.238	1.286	1.311	1.257	1.365	1.205	1.218
Kurtosis	-.182	-.978	-1.016	-1.093	-1.081	-1.168	-.933	-.984

The results shows that majority of the respondents 200 (58.5%) agreed that Performance Management Practices are included in the County HR Policies while 57(16.7%) disagreed with the statement. This showed a mean of 3.54; STD deviation = 1.081. The second statement which sought to establish whether the respondents had participated in the performance evaluation process for the last financial year and received feedback on job performance. The results show that this factor had the highest standard deviation value meaning that the results could have skewed to one side. This was established following the negative kurtosis (mean of =2.56, STD deviation = 1.238 meaning and kurtosis = -.978) that most of the respondents disagreed with the statement.

### Correlation Analysis

The study sought to establish the relationship between performance management and institutional performance. The results were presented on table 4.18.

**Table 4.18: Performance Management and Institutional Performance**

		Institutional Performance
Performance Management	Pearson Correlation	.594 <sup>**</sup>
	Sig. (2-tailed)	.000
	N	317

The results show that there is a strong positive relationship (R=0.594) between performance management and institutional performance in county governments. The P –value = 0.000



indicating a very significant relationship between the variables. This shows that performance management is very essential for any organization that aims at performing. These findings are similar to those of Armstrong (1998), who noted that Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

### Chi Square Analysis for Performance Management

To test whether there is an association between performance measurement and the performance of county governments. The chi square test of independence was used. Table 4.19 presents the results.

**Table 4.19: Performance Management**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2425.510 <sup>a</sup>	837	.000
Likelihood Ratio	1160.942	837	.000
Linear-by-Linear Association	111.651	1	.000
N of Valid Cases	317		

The results presented on table 4.19 show that the Pearson chi square is 2425.510 with 837 degrees of freedom and a p- value of 0.000. The critical chi square factor at 850 degrees of freedom is given as 932.689 which is far much below the calculated factor of 2425.510. This means that there is a significant association between performance and the performance of county governments in Kenya. These results are also confirmed by the Phi and The Cramers V values presented in table 4.20.

**Table 4.20: Symmetric Measures**

		Value	Asymp. Std. Error <sup>a</sup>	Approx. T <sup>b</sup>	Approx. Sig.
Nominal by Nominal	Phi	2.766			.000
	Cramer's V	.532			.000
Interval by Interval	Pearson's R	.594	.038	13.119	.000 <sup>c</sup>
Ordinal by Ordinal	Spearman Correlation	.574	.042	12.456	.000 <sup>c</sup>
N of Valid Cases		317			

The results on table 4.20 shows a Phi value of 2.766 and The Cramers V is 0.532 and both have a P- value of 0.000. This again shows that there is a very significant association



between performance management of employees and the performance of county governments, indicating that is a significant association between performance management and performance of employees at county governments in Kenya. The Pearson's R of 0.594 shows a positive correlation and the T value of 13.111 which is much higher than the critical value of t at +2 provides a ground for testing the study hypothesis.

#### 4.9 Dependent Variable (Institutional Performance Indicators)

The dependent variable also tested for sampling adequacy and the results were presented in table 4:33.

**Table 4.33: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.913
Bartlett's Test of Sphericity	Approx. Chi-Square	1488.318
	Df	45
	Sig.	.000

The result shows that the items of the variable had a very high sampling adequacy since the KMO value was 0.913 which is far much above 0.4. The Bartlett's Test of Sphericity was also less than 0.05. This shows that the variable was suitable for use in further analysis.

The component matrix was computed to establish whether all the items could be used for further analysis or not. The results presented in table 4.34 shows those items were suitable for use in further analysis.

**Table 4.34: Component Matrix**

	Items	Component
i	Rate your level of participation in development of HR strategies such as Resourcing of staff, Training, Appraisal, Reward and Performance Management.	.643
ii	Rate the County Management Competencies to initiate, implement and Changing of HR Strategies.	.747
iii	Rate the attention paid in developing new HR strategies by Top management	.736
iv	Rate the attention paid in adjusting to new HR strategies by Top management	.739
v	Rate the commitment to HR strategic Management as a choice for your organization by Top management	.737
vi	Rate the relevance and suitability of strategic Human resource Management to your organization	.600
vii	Rate your organization success at identifying corrective actions on HR strategies	.719





viii	Rate the commitment of the Top management in providing financial resources to support implementation of Human resource Strategies	.744
ix	Rate your organization success at identifying corrective actions on HR strategies	.784
x	Rate your organization effectiveness at evaluating Impact of change in initiating HR strategies	.794

All the ten variables were established to have a factor loading of more than 0.4. The lowest loading was 0.600 while the highest loading was 0.794. This shows that the items were all suitable for use in further analysis.

#### 4.9.1 Descriptive Statistics

Descriptive analysis was done to summarize the views and opinions of the respondents. The respondents were required to respond to various items using a scale of Excellent= 5, Very Good= 4, Good= 3, Fair= 2, Poor = 1. The results were presented in table 4.35.

**Table 4.35: Institutional Performance Indicators**

	I	ii	lii	iv	V	vi	Vii	viii	lx	x
Poor	43 (12.6)	33 (9.6)	44 (12.9)	31 (9.1)	48 (14.0)	22 (6.4)	31 (9.1)	54 (15.8)	34 (9.9)	46 (13.5)
Fair	76 (22.2)	69 (20.2)	76 (22.2)	94 (27.5)	68 (19.9)	82 (24.0)	75 (21.9)	88 (25.7)	82 (24.0)	56 (16.4)
Good	93 (27.2)	93 (27.2)	81 (23.7)	101 (29.5)	78 (22.8)	92 (26.9)	108 (31.6)	77 (22.5)	94 (27.5)	89 (26.0)
Very Good	90 (26.3)	95 (27.8)	85 (24.9)	59 (17.3)	97 (28.4)	83 (24.3)	79 (23.1)	72 (21.1)	94 (27.5)	84 (24.6)
Excellent	26 (7.6)	38 (11.1)	31 (9.1)	32 (9.4)	26 (7.6)	48 (14.0)	34 (9.9)	36 (10.5)	23 (6.7)	52 (15.2)
<b>TOTAL</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>	<b>342</b>
Mean	2.94	3.11	2.95	2.90	2.95	3.16	3.03	2.84	2.97	3.12
Std. Deviation	1.161	1.165	1.207	1.127	1.207	1.157	1.126	1.253	1.113	1.272
Kurtosis	-0.885	-0.826	-0.977	-0.680	-1.011	-0.903	-0.713	-1.029	-0.825	-0.974

The results show that all the items had a mean less than 3.5 indicating that the respondents indicated that the institutional performance indicators were good. This is also confirmed by the high negative skewness indicated by the value of kurtosis.

#### Discussions of the Findings

The hypothesis stated that there is no relationship between performance management and achievement of institutional performance. The results contradicts with the null hypothesis



since the Pearson's R of 0.594 shows a strong positive correlation and the T value of 13.119 which is much higher than the critical value of t at +2. The Pearson chi square is 2425.510 with 837 degrees of freedom and a p- value of 0.000. The critical chi square factor at 850 degrees of freedom is given as 932.689 which is far much below the calculated factor of 2425.510. This means that there is a significant association between performance management and the performance of county governments in Kenya. Thus agreeing with Armstrong (2008), findings that performance management is a mean of getting better results by understanding and managing performance within an agreed framework of planned goals, standard and competency requirements. Armstrong and Baron (1998) also noted that Performance Management is both a strategic and an integrated approach to delivering successful results in organizations by improving the performance and developing the capabilities of teams and individuals.

Therefore, the county governments need to effectively put Performance Management practice into consideration if they have to improve on the performance.

## **5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

### **Summary of the Findings**

The study established that strategic human resource management practices have a positive relationship with firm performance. This shows that a firm that wants to develop a competitive advantage over its rivals should embrace these "best practices". The study distributed a total of 400 questionnaires and only 342 were returned and used for the analysis. This is 85.5% which was considered appropriate. According to Torrington & Stephen (2006) a response rate above 70% is considered appropriate for a descriptive study. The results on table 4.1 shows that majority 63(18.4%) of the respondents who participated in the study were from the Education, Social work, Youth and Gender departments at the county government. This was followed by health with a response rate of 61(17.8%), while Lands and Urban planning had the least number of respondents 8(2.3%). This was quite proportional to the number of employees in these departments with Education, Social work, Youth and Gender departments having the highest number of employees in the entire county.

The study established that the number of males who participated in the study were 189(55%) while the number of female were 153(45%). This reflects a small disparity



between the employees in the county government. Majority of the respondents 227 (66.4%) have worked for the county government for between 1- 5 years while only 10(2.9%) , 52(15.2%) have worked for between 6-10 years, 15(4.4%) have worked for between 11-15 years, 16( 4.7%) have worked for 16-20 years, 22(6.4%) have worked for 21-25 years while 10(2.9%) had worked for more than 26 years meaning most of the respondents were hired when the county government came into existence while the rest were adopted from the former Local government and secondment from the National Government. The results indicate a mean of 1.78 and a standard deviation of 1.378.

### **Contribution of Performance Management on Institutional Performance**

The results show that Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.868 with a Bartlett's test of sphericity being less than 0.05. This indicates that the factors are suitable for further analysis. The results show that majority of the respondents 200(58.5%) agreed that Performance Management Practices are included in the County HR Policies while 57(16.7%) disagreed with the statement. This showed a mean of 3.54; STD deviation = 1.081.

On whether the respondents participated in the performance evaluation process for the last financial year and received feedback on job performance. The results show that the highest standard deviation value meaning that the results could have skewed to one side. This was established following the negative kurtosis (mean of =2.56, STD deviation = 1.238 meaning and kurtosis = -.978) that most of the respondents disagreed with the statement. The results show that there is a strong positive relationship ( $R=0.594$ ) between performance management and institutional performance in county governments. It is also noted that there is a strong positive association between performance management and institutional performance with a Pearson's  $R$  of 0.594, Phi value of 2.766 and a Cramer's  $V$  of 0.532 and both have a  $P$ - value of 0.000. The critical chi square factor at 850 degrees of freedom is given as 932.689 which is below the calculated factor of 2425.510. This means that there is a significant association between performance management and the performance of county governments in Kenya of institutional performance.

This showed that performance management is very essential practice for any organization that aims at performing.



### **5.3 Conclusions**

The purpose of the study was to determine the Contribution of Strategic Human Resource Management Practices in achieving Institution Performance. The study found that all the human resource management practices had a positive and significant association with performance. This means that with improved use of SHRM practices, institutional performance also improves. The correlation between strategic human resource management practices and performance ranged between 0.4 and 0.7 for the five variables under study. This means that the different practices of strategic human resource positively influence performance. The relationship was tested at a significant level of 0.05 using Chi Square Test of Associations. The Strategic human resource management practices that were examined for their contribution on achieving institution on performance included: Staff resourcing, training and development, Performance Management, Staff Appraisal and Reward management. An examination of their mean scores found that County Governments have strived to adopt strategic human resource management practices to a great extent. The results of this study add to the growing empirical evidence that suggest that strategic human resource management impact on firm performance. However, the findings indicate that direct and interactive contribution of the SHR practices vary with the performance measure. Thus the findings of this study are consistent with the stream of research and theory that support the universalistic perspective.

It is evident that SHRM practices are required by the county government if they have to improve on their performance. The results have shown clearly that there is a positive and significant association between staff resourcing and the performance of the institutions. The results have shown that there is a weak relationship between staff resourcing and performance but the association that the factor on performance is very significant. This means that the County Governments focus on these processes in order to capture the right stock of human talent that will lead to sustained competitive advantage. Study findings also show that strategic human resource practices had a stronger positive relationship with institution performance. This study therefore concludes that county governments like Narok need to ensure that the staffing as a SHRM practice is essential for improved performance.

The study also noted that training and development as a SHRM practice has a positive correlation with institutional performance. It is further noted that the strength of the



relationship is very strong meaning that for the institutions to improve their performance training and development is a major strategic practice that must be put in place. The study established that through training employees are able to equip themselves with appropriate skills that enhance their performance and hence the performance of the institution.

The study also shows that Strategic human resource Management Practices are considered an important function in the County Government but there is need to improve in some area like staff Appraisal and Performance management of employees. The level of interaction between the human resource department and other departments is also taking place to a great extent especially on human resource needs like training and organization strategic development. The human resource manager heads an independent department and him or her reports directly to the County Secretary. Thus the human resource role is gaining importance. The research findings leave no doubt that Institutions that want to develop a competitive advantage over the others need to adopt these strategic human resource management practices and Implement them.

### **5.5 Recommendations**

The County Governments in Kenya are faced with many challenges due to changes in the business environment. Thus, investment in human capital management strategies helps to improve on their performance, quality of service provided, labour cost reduction, high productivity and operating effectiveness. However, what is important knows the best means to make the impact. Thus, an important implication of this study is that;

1. The Productivity of individual employees and Institution Organs can only be measured with performance management in place. Thus, the County Government to introduce and effectively value the use of Performance Management as a SHRM Practice. Performance Management Office should be introduced and regular performance review meetings held. This helps to monitor individual and institutions performance rate for competitive advantage, appreciate performers and discipline non performers.
2. To motivate employees whose performance is outstanding and linked to the good performance of the institution, reward management needs to be practiced. The County Government has the responsibility of ensuring that rewards are offered fairly to all deserving employees and individual efforts are recognized always. Uniformity



in rewarding employees; Promotions, Salary increments and incentives, recognition, holiday offers among others makes them to put more efforts at work hence more returns. Discrimination should be avoided as it demoralizes individuals hence less effort at work.

3. There is a need for a significant transformation of HRM responsibility to reflect the new demands and realities of the public sector. This is geared to accommodate the HR Managers as strategic partners in institutions whose role determine the end results on productivity.
4. HRM specialists should be able to play a role of organizational change consultants, and the cost-effectiveness evaluation of SHRM interventions should be performed. This helps to reduce change resistance in institutions among the employees, strategies development, policies implementation and evaluation. All this helps to improve the County Performance at a low cost.

#### **5.6 Suggestion for further study**

Research on strategic performance management and institutional performance suggest that future researchers to carry out research on other County Governments to establish the extent to which the performance management of staff had influence their performance. This is because this study focused on establishing the relationship between strategic performance management and institutional performance and not the extent to which the practice influence performance.

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