

**EMPLOYEE RETENTION STRATEGIES AND EMPLOYEE  
PERFORMANCE IN TEA INDUSTRY: A CASE OF JAMES FINLAY KENYA  
LIMITED, KENYA**

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**OCTOBER, 2021**

**DECLARATION**

I confirm that this thesis is my original work and has not been presented in any other university or institution.

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**Supervisors**

This thesis has been submitted for appraisal with our approval as university supervisors.

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## **DEDICATION**

This work is dedicated to my beloved family for their tireless support and dedication throughout the study period.

## **ACKNOWLEDGEMENT**

First, I am thankful to the Almighty God for the sound health and grace that He has granted to me. Second, my sincere appreciation goes to all whose contributions made the completion of this thesis possible. I am particularly indebted to my supervisor Dr. Felistus Makhamara of the Department of Business Administration, Kenyatta University for the professional and academic guidance they offered me. Their wealth of experience and willingness to guide and encourage me to pursue excellence in this study is highly appreciated.

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## ABSTRACT

Due to pressure from global market competition, high internal standards, the human resource has been straining to meet these demands. This has led to numerous strikes in major companies. The main objective seeks to attain is to investigate the effect of employee retention strategies in the Tea industry in Kenya, a case of James Finlay Kenya Limited in Kericho County, Kenya. The study specifically sought to investigate the relationship between rewards, welfare policies, employee development and adoption of technology, and the performance of employees in James Finlay Kenya. The study covered a period of five years from 2015 to 2019. This study was anchored on the wanted versus unwanted turnover theory, Vroom expectancy theory, and two-factor theory. The descriptive research design was adopted and targeted a population of 257 employees of James Finlay Kenya Limited who are composed of senior, middle and lower-level management. The study used a sample of 156 respondents. A pilot study of the research instruments was conducted to ensure the validity and reliability of the instruments. Data were analyzed using Statistical Package for Social Science Version. The study findings showed that all the study variables investigated were positively correlated to the study dependent variable. A unit rise in reward leads to a rise in the level of employee performance by 0.359 units. A unit rise in welfare policies results in a rise in employee performance by 0.498 units. A unit rise in employee development would result in a rise in employee performance by 0.474 units. A unit rise of adoption of technology would result in a rise of employee performance by 0.102 rewarding its employees sufficiently that has made employees meet the expectation. Findings on welfare policies showed that James Finlay did not have clear policies in place for promoting employees. Training and mentorship programs rendered to employees have made employees efficient in discharging their roles. The introduction of the use of technology has led to an increased level of employee performance due to increased efficiency. The study, therefore, concludes that employee reward, welfare, employee development, and adoption of technology play critical roles in employee performance in the tea industry in Kenya. The study, therefore, recommends tea industries design and implement rewards, welfare policies, employee development policies, and the use of technology to attain a high level of employee performance.

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background on the Study**

Employee performance plays an imperative role in organizational development. Due to stakeholders' pressure, most managers have the responsibility to produce results and this has made them look for a solution in the human resource practices. It is measured using both non-financial and financial indicators that are linked to organization performance directly (Anitha, 2015). High employee performance translates to an increase in overall productivity. Employee retention is one of the elements to consider in attaining the high performance of employees. Some of the employee performance indicators include job satisfaction, quality of service delivery, the quantity of service delivery, and efficiency (Torlak and Kuzey, 2019).

Globally retention of employee retention is a crucial facet of personnel management. According to Hunjra, Raza, and Munir (2014) employee retention in Pakistan's Oil and Gas sector has significantly affected employee productivity as well as organizational performance. This was based on a study that investigated the relationship between employee retention strategies and employee performance in Oil and Gas sector within Pakistan. According to Hunjra, Raza, and Munir (2014), there is a relationship between employee retention and productivity while employee productivity is highly linked with the performance of the Oil and Gas Companies. In Australia success is associated with the ability of the organization to retain employees since high retention of talented workers assist in organization productivity as well as performance (Galbreath, 2010). In Australia, organizations create enabling environment for their employees to increase organizational performance.

In Africa countries, employee retention techniques are practiced as the remedy of high employee productivity. According to Gberevbie (2010) in Nigeria employee retention affected organization performance. Gberevbie (2010) investigated the effect of retention of talent among the organization in Lagos hospitals. The research found out that turnover was higher in nurses within the state of Lagos. This was attributed to salary and allowances, lack of nurse leadership, working environment, and job security. There is a need for appropriate employee retention strategies that fit with organizational culture. In a related study employee retention strategies entails bonuses, incentives, high salaries, and benefits which affected employee performance significantly (Osibanjo, Adeniji, Falola, & Heirsmac, 2014).

In Kenya, Gicho (2015) found that employee retention strategies affected employee performance. Gicho (2015) did a study in Eagle Africa Insurance Broker Limited where the study found out that a flexible work environment allowed employees to perform better. Compensation strategies such as rewarding employees made employees perform better. For a long time career development has been found to provide the employees with motivation as well as skills in regards to the study Gicho (2015), it also revealed that training not only sharpens their skills but also assists the organization in employee performance. This concurs with Maliku (2014) who also found that employee retention affects employee performance. Bett (2019) argued that compensation provided the highest organization productivity as compared with employee development as retention strategies within the banking sector in Kenya. Hence there need for the organization to consider compensation as a retention strategy.

Employee retention examines the number of employees who serve/work in the organization and are encouraged to remain working for a long period (Sandhya & Kumar, 2011). Organizations are increasingly looking for the best employees and ensure are retained within the organization Fox, Byrne, & Roualt, (2009). According to James and Mathew, (2012) effective employee retention practices can be adopted to reduce employee turnover, increase employee loyalty and commitment. Employee retention has significantly affected the organization's competitiveness and performance Gayathri, Sivaraman, and Kamalambal (2012).

Reward system is an important factor in employee retention. Most of the employees are motivated either intrinsically or extrinsically. The study will focus on both intrinsic and extrinsic rewards on the performance of the employee. It will narrow down to salary, promotion, and working environment as some of the factors the study investigates.

Welfare policies developed as part of labor relation practices; poor welfare policies lead to low retention of employees. However, well-structured welfare policies will enhance the performance of an organization by creating a closed circle of solving both social and economic employee problems among other factors. Welfare policies entail promotion policies, credit facility policies, and salary increment policies. The research hypothesis; that a good welfare policy increases employee performance.

Employee development is a management concept, which assists in developing knowledge, skills, and competencies and creates satisfaction within the working environment. Employee development includes training, mentoring, and career

development to increase productivity and create self-value for individual employees. Technology has replaced human resources in the majority of the manufacturing industry. The introduction of new technology has then affected employee retention and with an increased level of innovation, employee performance has gone low. The introduction of new tea plucking machines among other technological factors has required employees to acquire new expertise, training, and skills.

### **1.1.1 Employee Performance**

Performance of employee provides a standard of measuring the ability of employee behavior as used in performance criteria, (Badrianto & Ekhsan, 2020). Employees are normally rated with quantity, quality, or even efficiency of doing work against some certain set standards. Performance of employees may be achieved through the use of appraisal systems that include the use of performance review, 360-degree feedback, and graphic rating scale, and balanced scorecards, (Saffar & Obeidat, 2020).

The technique used in measuring performance is important when assessing the retention of workers in the organization. If an organization wants to be competitive in the market and ensure that the organization improves in production, employees should depict a sense of commitment to the standards of performance, (Saffar & Obeidat, 2020). Hence the employee performance in the current study using the quantity of production, job satisfaction, efficiency in service, and quality of service as indicators in measuring the performance of the employee. The indicators were then measured against the reward system, welfare, and policies, organization culture, and technology respectively.

### **1.1.2 Employee Retention**

Employee retention examines the number of employees who serve or work in the organization and are encouraged to remain working over a longer duration, (Yao, Qiu, & Wei, 2019). Organizations are increasingly looking for the best employees and ensure that they are retained within the firm; an effective employee ought to be retained to reduce turnover of the employee, increase loyalty and commitment of the employee. Employee retention has significantly affected the organization's competitiveness and performance, (Noe & Kodwani, 2018).

The employee retention concept has been linked with employee rewards, welfare policies, employee development, and technology. Employee retention practices have been discussed under recruitment and selection, career advancement, effective communication, training and development, supervisor support, compensation and reward, work environment and socialization, and organization culture, (Maliku, 2016). Employee retention assists the organization to reduce the cost of replacement which is created as a result of new employee recruitment and new selection strategies, new training and development strategies, and new compensation strategies among other costs as well as it assists from loss of skilled employees.

Workers' reward systems play an important role in the retention of employees. Most of the employees are motivated either extrinsically or intrinsically. It narrowed down to salary, promotion, and working environment as some of the factors the study investigates, (Papa, Dezi, Gregori, Mueller & Miglietta, 2018).

Welfare policies are developed as part of labor relation practices; poor welfare policies lead to low retention of employees. However, well-structured welfare policies will enhance the performance of an organization by creating a closed circle of solving both social and economic employee problems among other factors. Welfare policies entail promotion policies, credit facility policies, and salary increment policies. The research hypothesis; that a good welfare policy increases employee performance, (Wilke *et al.*, 2018).

Employee development is a management concept, which assists in developing knowledge, skills, and competencies and creates satisfaction within the working environment. Employee development includes training, mentoring, and career development to increase productivity and create self-value for individual employees. Technology has replaced human resources in the majority of the manufacturing industry. The introduction of new technology has then affected employee retention and with an increase of innovation, employee performance has gone low. The introduction of a new tea plucking machine among other technological factors has required employees to acquire new expertise, training, and skills, (Papa, Dezi, Gregori, Mueller, & Miglietta, 2018).

### **1.1.3 James Finlay Kenya Limited**

James Finlay was established in Glasgow as a manufacturing and trading organization in 1750. The company dealt with cotton but later through connections from India and China in 1817 Finlay tea industry was established in the mid-90s they expanded rapidly intending to develop a global producer of tea. The company expanded into Sri Lanka and Africa where Ceylon tea was grown in larger plantations. Extensive research has been conducted by Finlay Company to improve on the area products since the 1960s. Finlay's company

does not deal only with tea but diversified to other products like coffee, flowers, and horticultural productions with wide networking and market, (Otieno, & Kipkorir, 2019).

James Finlay Kenya Limited is one of Finlay Company which produces tea as well as flower. The tea sector is doing well with the largest tea plantations in Kericho. The tea is sold mainly for export markets producing green tea, black tea, and purple tea to the global market. Finlay employees are about 30,000 employees with most of the employees given housing facilities within the tea estates, (Korir & Kagiri, 2017).

### **1.2 Statement of the Problem**

The performance of every employee is key in every organization whenever an organization seeks to report good and high. Employee performance is severally and jointly gauged using quality, quantity, effectiveness and efficiency, and timeliness. Despite the effort of managers in ensuring that there is a high performance, the tea industry has pressure because of global market competition, high internal standards; the human resource has been straining to meet these demands. This has resulted in low production of tea both in Kenya and globally. The majority of the organization is then trying to reduce costs through retrenching amongst other cost reduction strategies. Other emerging problems include numerous strikes in multinational tea companies. Workers complained of a poor work environment, poor rewards, the introduction of new machines/technology, poor welfare policies, and no employee development. Management concerns have blamed the high demand from workers for the support they have from workers' unions (Chepkoech, 2018). Workers

complained of poor salaries and rewards, they also complained of the new introduction of technology and there was no staff's welfare.

This is causing a high employee turnover. In a study carried out by Pera (2019) on towards management of an effective workforce, it was established that there was no clear view on the association that exists amid management of labor and employee performance. Industrial action was associated with a lack of necessary information among employees, low productivity, and low staff morale from the organization's culture. The study recommended that to maintain workers for a long time the organization needs to maintain good management policies, modern technology, motivation, and incentive that will maintain and retain the workers from becoming dissatisfied with their work and leave the organization.

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

This study's general objective was to analyze the relationship between employee retention strategies and employee performance in the tea industry in Kenya, a case of James Finlay Limited.

#### **1.3.1 Specific Objectives of the Study**

The specific objectives were as follows;

- i. To establish the relationship between rewards and employee performance in James Finlay Limited Kenya.
- ii. To assess the relationship between welfare policies and employee performance in James Finlay Limited Kenya.
- iii. To determine the relationship between employee development and employee performance in James Finlay Limited Kenya.

- iv. To assess the relationship between technology and employee performance in James Finlay Limited Kenya.

#### **1.4 Research Questions**

- i. What is the relationship between rewards and employee performance in James Finlay Limited Kenya?
- ii. What is the relationship between welfare policies and employee performance in James Finlay Limited Kenya?
- iii. What is the relationship between employee development and employee performance in James Finlay Limited Kenya?
- iv. What is the relationship between technology and employee performance in James Finlay Limited Kenya?

#### **1.5 Significance of the Study**

This study is important while trying to understand employee retention strategies and the performance of employees. The study equips human resource managers of James Finlay Kenya Limited with knowledge on the influence of strategies for employee retention and their effect on the performance of the employee. Another beneficiary is the government since it provides the framework for solving continuous employee strikes in James Finlay Kenya Limited and other organizations on how to handle employee retention problems.

The study findings will help them strengthen the existing policies and even come up with new ones to improve on the effect of employee retention within the organization. The study is also likely to benefit scholars, researchers, and academicians. The findings of this study contribute to the curriculum to be thought in Kenya and around the globe. The researchers on the other hand are

likely to benefit. First by supporting their studies by using the finding of this study as a reference and also exploring the research areas that are suggested at the end of the study by the research as their research topics.

### **1.6 Scope and Limitation of the Study**

This proposed study was performed in James Finlay Limited Kenya in Kericho County. The contextual scope was employee retention and performance of the employee. The study specifically sought to examine reward, welfare policies, employee development, and technology on employee performance. The study covered five years between 2015 and 2019.

There was non-response in which the respondent became reluctant to respond to the questionnaire due to fear of victimization or lack of comprehension of the questionnaire and/or failure to return the questionnaire for analysis. The effect of this limitation is that the selected sample size was reduced and subsequently affected the generalizability of the research findings. Secondly, the researcher ensured that the structuring of the questionnaire was in such a way that every respondent is capable of comprehending, and lastly, the researcher made sure that the sample size selected was big enough to provide for non-response.

## **CHAPTER TWO: LITERATURE REVIEW**

### **2.1 Introduction**

The chapter looks into studies from the past related to the retention of employees and employee performance. Specifically, the chapter presents theoretical and empirical literature, a summary of literature review and identification of research gap, and lastly the conceptual framework, which is a mind to what is being investigated.

### **2.2 Theoretical Literature Review**

This segment examines the theories on which the study variables are anchored. More specifically, it elaborates the wanted versus unwanted turnover theory, Vroom expectancy theory, and two-factor theory. The concepts from these theories support the study of independent and dependent variables.

#### **2.2.1 Wanted versus Unwanted Turnover Theory**

Wanted versus unwanted turnover theory was first proposed in 2003 by Patrick Hauenstein. Hauenstein (2003) and states that employees with the right characteristics fit for a specific job are regarded as unwanted turnover while wanted were those without the recommended desirable characteristics. Hauenstein's point of view is that the human resource department should be able to compare the replacement cost alongside employee costs related to turnover. In case an employee leaving the cost of leaving is greater than the replacement cost the employee turnover is wanted since the firm would not lose in replacing the undesirable employee. The contrary will be true for unwanted turnover the loss of desirable employee is high than hiring a new one.

Hence proposes that there is a need to isolate between wanted and unwanted turnover. The organization would need to re-evaluate the input of each employee to the organization's goal and consider then as part of wanted or unwanted turnover while promoting or retrenching affecting employee turnover. William (2000) argued that turnover can be viewed in four facets which are; leaver who is poor performing, leaver who is good performing, a retained poor performer, and a retained good performer. It is then the management role to ensure that good performance leaver which represents unwanted turnover according to Hauenstein's argument to be retained while the poor performer leaver representing wanted turnover be encouraged.

The human resource managers should then provide the right environment for employee retention to avoid unwanted turnover. The theory supports the need for organizations to consider rewards to higher performers to reduce the cost of unwanted turnover. The cost associated with unwanted turnover includes knowledge cost, procession cost, induction cost, training cost, experience cost, and development cost of employees. On the other hand, losing a poor performer does not have any cost implication which is the wanted turnover. To also reduce this, cost the organization should focus on the appropriate employee retention strategies to ensure that unwanted turnovers are minimized as possible.

The theory is linked to this study as it is concerned with retaining performing employees and removing non-performing ones. This concept supported employee development, technology, and reward and employee welfare policies as strategies that are used in ensuring that there is the retention of employees to lower the employee turnover cost.

### **2.2.2 Vroom Expectancy Theory**

This theory was advanced by Vroom in 1964 also known as expectancy theory. Vroom conceptualized the theory in valence, expectancy, and reward concepts. Valence concepts argue that innovation, low employee turnover, and reward influenced employee performance. The concept from the valence supports technology and reward as employee turnover concept in the current study. The next is the expectancy concept that links the need for motivation to productivity, job satisfaction as well as customer satisfaction. Lastly, the reward concept that influences employee productivity, innovativeness, and production that results in job satisfaction. The reward is one of the variables in the study and has deep theoretical implications in Vroom expectancy theory but does not link to the performance of employees rather to job satisfaction. Hence, the expectancy theory supports technology as well as a reward as variables of employee retention.

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Nyberg (2010) argued that employee training and development has its linkage to the expectancy theory. Valence's concept explains that employee innovativeness leads to new skills. Vroom expectancy supports employee development, reward, and technology as strategies of employee retention and associates them with employee performance.

### **2.2.3 Two-Factor Theory**

The theory was first advanced by Frederick Herzberg in 1964 who was a psychologist and at times referred to as Herzberg's motivation and hygiene theory. The two-factor theory explains that in place of work two factors affect an employee's performance; first, there are those which are job satisfiers and those which are job dissatisfiers often referred to by Herzberg as motivation and hygiene factors and are independent to one another, (Herzberg,1984).

This theory is concerned with the rewards and welfare of the employee. Since the two factors are divided into motivators which entail work challenges, involvement in decision making, responsibilities, recognition for one's achievement, and a sense of belonging to the organization. This gives positive satisfaction that comes from intrinsic and personal growth, (Hackman and Oldham, 1976).

Hackman and Oldham, (1976) argued that the other factor was associated with the welfare as well as the reward of the employee. According to Herzberg (1968), this factor was now referred to as Hygiene based in the sense that they were maintenance factors or extrinsic to the work itself. This included the organization's policies and welfare as well as rewards in terms of salary or

wages. This implies that without these factors employees would not be able to work.

Hence hygiene factors are the major cause of dissatisfaction, (Herzberg, 1968). But eliminating hygiene factors means removing dissatisfaction within the organization which is half of the two-factor theory this can be done by increasing salaries, ensuring proper working conditions, job security, and positive work culture. There is a need to also increase motivation factors for better performance. Herzberg argued that an ideal situation is where there is high hygiene and high motivation which will enable high motivation and few complaints. It implied that hygiene factors lead to affect satisfaction hence low complaints while motivation factors affect motivation. The study's variables, reward and welfare policies were anchored on this theory since they are the two factors influencing employee satisfaction.

### **2.3 Empirical Review**

The empirical review refers to talking about the various researches done by other researchers with similar topics; the names of various researchers must be quoted to their findings or statements.

Employee retention is more of practices or strategies in an organization that is utilized to reduce valuable employees from leaving their work or jobs. According to Maliku (2016), retention strategies deployed include recruitment, selection, communication, training and development, compensation and career advancement, support by the supervisor as well as organizational culture. Because of the above strategies and practices, it is unclear how many strategies are utilizable in retaining a valuable employee. This has prompted to conduct of

an empirical review on different scholars on employee retention and employee performance in their organization.

### **2.3.1 Reward and Employee Performance**

Employee extrinsic rewards were defined by Ibrar, and Khan (2015) to be compensation that a worker receives in the form of payments, fringe benefits, and other benefits which tangible and emanates from an organization after a worker has satisfied some set targets and also maybe as part of the firm. In the majority of the organization in the hospitality sector, these forms of rewards are in the form of salary, wages, vacation remuneration, leave payment, and other bonuses, (Murphy, 2015). Due to high completion in the hospitality sector, the employee must formulate a reward structure that is attractive to the present worker and also those seeking to be employed and are therefore referred to as potential employees and extrinsic rewards play a good role in motivating employees to yield better performance to the organization.

Maliku (2016) investigated the perception of retention of employment practices and the performance of an organization. The study investigated training and development, socialization, work environment, effective communication, support of supervisor as well as the relationship, compensation and reward, organization culture, and career advance. It utilized a descriptive survey design, which targeted 210 staff in National Oil Corporation Limited. Study findings indicated employee retention moderately affects the performance of the organization, explaining the high employee turnover in the organization and low market share at National Oil Corporation Limited.

Gicho (2015) researched the relationship between strategies for employee retention strategies and the performance of the employee in Eagles Africa Insurance Brokers Limited. The research used a descriptive research design that utilized 85 employees. The study established that strategies for compensation affected the performance of the employee, motivation through organization rewards has a significant relationship with the performance of an employee. It was further discovered that that career development influences employee performance where training assists in providing necessary skills used in the organization. A good working environment ensures better work balance and reduced absenteeism which enables the organization to improve in performance.

Edirisooriya (2015) studied employee rewards in Sri Lanka. To attain the aims of the study, the quantitative research design was adopted and 100 employees using stratified random sampling techniques and employed primary data collected with the help of a structured questionnaire. Additionally, the findings established that from all the explanatory variables examined in the study, pay and recognition were found to be the most important and influential elements the affected employee performance.

Daniels *et al.* (2019) analyzed reward structure and performance. The study investigated the impact of bonuses in form of cash on the performance of the employees. The study target population was 500 and sampled 250 by employing a simple random sampling technique. Descriptive as well as inferential statistics were utilized on data collected using questionnaires. The result revealed that cash bonuses do not affect the performance of the employee.

### **2.3.2 Welfare Policies and Employee Performance**

Kamkari, Ghafourian, and Hossein (2015) did research that sought to assess the association amid welfare service and performance of staff in the office of Inspector General in Kenya. The research used a survey of 300 people where 169 were chosen as a sample. From statistical analysis, there was a significant influence of welfare policies implementation as well as communication on the performance of the employee.

Musyoka (2015) studied the impact of welfare programs for staff on the satisfaction of employees in the banking sector in Kenya. The research has a target population of 957 members of staff in management at the top middle and low-level management ranks. It established that there exists a positive and significant effect of worker's compensation and employee satisfaction. It was concluded that employee welfare is significant in employee satisfaction which is essential in employee performance.

Manandhar, (2015) investigated welfare facilities on the employee performance. This study was done in NGOs within Nairobi. The study used primary data to evaluate the impact of the welfare facility where interview guides were utilized during the collection of data. The study found that political interference, unfamiliarity with organization strategic approaches, ineffective communication, poor networking with NGOs, inefficiency in government, lack of funds, and disparity in remuneration among NGOs were challenges that rocked the Kenya Red Cross Society welfare. Hence these challenges have affected to some extent the performance of the organization.

### **2.3.3 Employee Development and Employee Performance**

Mundia and Iravo (2018) assessed the effect that mentoring programs have on the performance of employees in organization biasing. The study was conducted on universities domiciled Nyeri County. The study established that mentorship program plays a crucial role in enhancing the transfer of knowledge, guidance for career choice, enhancement of skills, and greatly affected performance of the employee.

Karia, *et al.* (2016) investigated the role that training and development play on the performance of public water companies in Tanzania. The study combined both descriptive and correlation research design and targeted a population of 1355 employees in the companies. The study applied Krejcie and Morgan's (1970) formula of sample size determination to sample 417 employees. Primary data and secondary data were employed and collected using questionnaires and analyzing company records. The study computed both descriptive and inferential statistics. The study found out that employee training and development plays a noteworthy role in employee performance.

Cherono, Towett, and Njeje (2016) conducted a study and found out that mentorship is considered one of the human resource development strategies that are associated with developing a career as well as skills development. The research is based on small and medium enterprises in the manufacturing sector in Garissa County. A cross-sectional survey design was employed. The research found that mentoring through leader, innovations, and transfer of knowledge transfer mentorship and talent development mentorship affect the performance of the employee.

Welfare policies developed as part of labor relation practices; poor welfare policies lead to low retention of employees. However, well-structured welfare policies will enhance the performance of an organization by creating a closed circle of solving both social and economic employee problems among other factors. Welfare policies entail promotion policies, credit facility policies, and salary increment policies. The research hypothesis; that a good welfare policy increases employee performance (Wilke *et al.* 2018).

Employee development is a management concept, which assists in developing knowledge, skills, and competencies and creates satisfaction within the working environment. Employee development includes training, mentoring, and career development to increase productivity and create self-value for individual employees. Technology has replaced human resources in the majority of the manufacturing industry. The introduction of new technology has then affected employee retention and with an increase of innovation, employee performance has gone low. The introduction of a new tea plucking machine among other technological factors has required employees to acquire new expertise, training, and skills, (Papa, Dezi, Gregori, Mueller, & Miglietta, 2018).

#### **2.3.4 Technology and Employee Performance**

Technological development has made work easy in the modern era. It always changes and with time most of the operation will be automated using various technologies. Information technology is one area where technology has assisted in communication, processing, and assessing information that is very vital in industries. Automation technology has its significant contribution to productivity but it has its side issue associated with reduction of motivation and reduction of employee attitude towards the job, (Saleh, 2018).

A study conducted by Gicho (2015) examined the impact of employee retention strategies on employee performance. The study specifically sought to assess the impact of compensation strategies, flexible work environment strategies, and career development strategies on employee performance. A total of 85 employees of Eagle Africa insurance were selected for the study who were working in operation, information technology, and operation technology. The study established that, flexible work environment presents an opportunity to employees to achieve objectives of the organization and that the work environment enabled employees to perform better and that organization rewarded employees for good performance, and as such compensation made employees strive for better performance. Additionally, concerning career development, it was found that the staff development offered to employees enabled them to sharpen their skills and increase performance.

Abbas, Muzaffar, Khawar, Atib, and Sibt (2014) investigated the relationship between technology and employee performance in Allied Banks Limited, Pakistan. The interview was conducted and the response was analyzed using text analytics. The findings pointed out that technology greatly increased the productivity of employees. Since it assisted in the reduction of frauds and mistakes reducing the workload of employees. It also assisted in easy access to information and hence save time. The organization is recommended to train its employees for the sustainable benefit of technology. Kariuki's (2015) findings revealed that information technology affected the organization's performance positively. Information technology was investigated based on internet applications, mobile, and handheld devices as well as data management systems which were all found to affect organization performance positively.

## 2.4 Summary of Research Gap

**Table 2.1: Research Gap**

<b>Author</b>	<b>Objectives</b>	<b>Results</b>	<b>Research Gaps</b>	<b>How the current study seeks to address the gap</b>
Abbas, Muzaffar, Khawar, Atib, and Sibt (2014)	Impact of technology on the performance of employees.	The results indicated that employees performed significantly better with the introduction of technology. This is because it increased the quality of service delivery, reduction of frauds and mistakes, and ease of information access.	The interview was used for data collection based on research done in Pakistan on technology as a variable.	This study applied a questionnaire to collect data
Aluvisia (2016)	To examine the factors that influence the performance of an employee	It was established that among the critical factors affecting employee performance are low recruitment process, lack of transparency, poor training of employees, and lack of employee reward and compensation.	the study investigated the factors affecting the performance of employees in which the study was exploratory	This study focused on relating employee retention strategies and employee performance which was correlational as opposed to exploratory
Cherono, Towett	Mentorship practices on	Mentorship through leadership	Investigated mentorship as a variable on	It investigated employee retention where

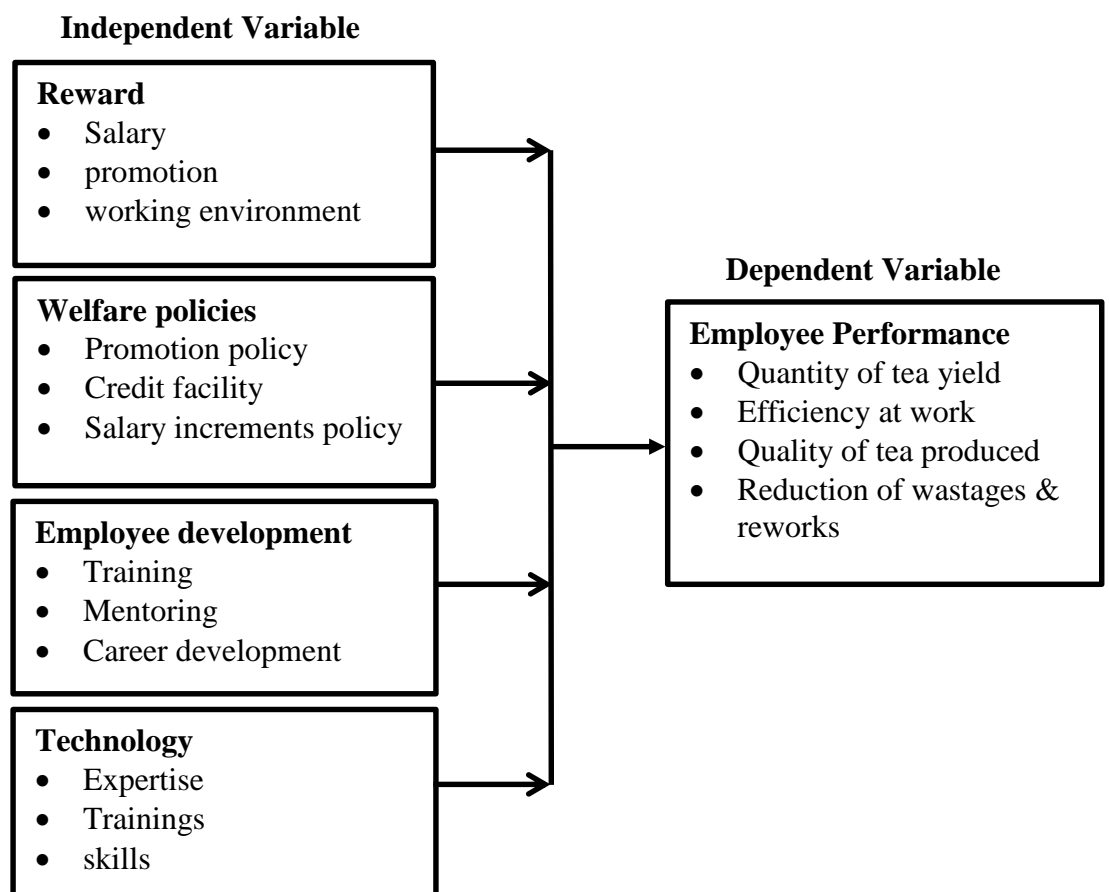
and Njeje (2016)	employee performance.	mentorship, talent development mentorship, knowledge transfer mentorship, and innovative mentorship have a significant effect on employee performance.	employee performance.	employee development is one of the variables while mentorship is an indicator.
Gicho (2015)	Impact of employee retention strategies on employee performance	There exist a positive correlation between work environment, career development and compensation, and employee performance.	The study conceptualized employee retention as work environment, career development, and compensation	This study conceptualized employee retention as reward, welfare policies, technology, and employee development.
Kamkari, Ghafouria nd Hossein (2015)	Investigated the impact of welfare service and benefits on the performance of staff.	It found that communication and implementing regulation affected the performance of the employee.	The study employed a survey design.	This study adopted a descriptive research design.
Karia, Omari, Mwanaon goro and Kimori (2016)	To assess the role of training and development on the performance of public water utilities in Tanzania	The study established that training and development is significant and positive correlated to employee performance	The study was performed in a different country and was also performed in the water industry	This study was carried out in Kenya and shed light on how employee development is related to employee performance in the tea sector
Kariuki, (2015)	Impact of information technology organizational performance	Information technology was established to positively affect organizational	The research investigated information technology.	This study focused on employee retention strategies on employee performance in

				James Finlay Kenya Limited
Maliku, (2016)	Perceived relationship between employee retention and organizational performance	There was a moderate application of employees strategies were moderately applied. Employees in the National Oil Corporation of Kenya were not highly motivated hence explaining why there was high turnover and low market shares.	The study examined the relationship between employee retention and organizational performance.	This study focused on the retention of employees and employee performance
Manandhar, (2015)	Welfare facilities on the performance of the employee in NGOs within Nairobi	It found that the welfare of employees has a positive effect on employee performance despite challenges in the Red Cross Society.	It is used to interview and targeted employees of an NGO.	This study used a questionnaire and was conducted in James Finlay Kenya Limited.
Musyoka (2015)	Effect of staff welfare programs and employee satisfaction among commercial banks in Kenya.	It was established that there is a positive and significant relationship between worker's compensation, training and development and safety, and health and employee satisfaction.	The study was performed in the banking sector and majored on staff welfare	This study was conducted in the tea industry and on employee retention strategies in which staff welfare is one of them

**Source: Researcher (2020)**

## 2.5 Conceptual Framework

Conceptual frameworks used in this study to visually show the connection that exists in variables to enable the reader to understand what is being investigated at a glance, (Kivunja, 2018). The conceptual framework for this proposed study is presented in Figure 2.1. The independent variable of the study is employee retention strategies that were broken down into the following specific variables; reward, welfare policies, employee development, and technology while the dependent variable was employee performance. Employee performance was measured based on the quantity of tea produced, efficiency, quality of service delivery, and reduction of wastages and reworks.



**Figure 2.1: Conceptual Framework**

**Source: Researcher (2021)**

## **CHAPTER THREE: RESEARCH METHODOLOGY**

### **3.1 Introduction**

The third covered the study research design adopted, the sample size, the instruments used to collect data, the procedure for data analysis and procedure and ethical issues. It addresses the procedure of obtaining data that was analyzed to answer research questions.

### **3.2 Research Design**

Research design as argued by McKenney and Reeves (2018) refers to the overall approach that guides the type of data to be collected and explains procedures that were applied and at the same time dictating how data was logically collected, analyzed, and presented. This study adopted a descriptive research design. This design responds to the questions such as what, why, where, how, and when and also allows the researcher to investigate relationships with some variables, (Loeb *et al.*, 2017). This research design was therefore considered applicable for this currently proposed research attempting to develop the impact of employee retention strategies and performance employee in the tea industry in Kenya.

### **3.3 Target Population**

Kern, Stuart, Hill, and Green (2016) allude that it refers to the assembly of all objects which are desired for given research seeking to obtain relevant information that can lead to answering a research question relating to a particular phenomenon. This study, therefore, targeted a population of employees working in the level of management at James Finlay Kenya Limited. The target population was therefore categorized as senior/top-level management, middle-level management, and bottom-level management. The

choice of management employees is informed by the fact that they have information related to employee retention and their performance acquired through the experience. According to James Finlay Kenya Limited human resource records of 2019, there was a total of 257 management employees.

### **3.4 Sampling Procedures and Sample Size**

As argued by Dawson (2019), the procedure for sampling procedures is an essential step in research that assists the researcher to obtain the desired sample from a given population, (Dawson, 2019). This study used Israel (1992) formula to sample the study population and arrive at a workable sample. After the sample has been determined, simple random was used to obtain the sample from the entire population. The technique was preferred as it reduced the chance of biases when selecting the sample. It was determined using the following formula;  $n = \frac{N}{1+N(e)^2}$  (Israel, 1992). Where  $n$  is the sample size,  $e$  is the standard error of 5%,  $N$  is the target population. Therefore  $n = \frac{257}{1+257(0.05)^2}=156$

### **3.5 Data Collection Instruments**

As argued by Apanasevic (2018 primary data refers to the first-hand information that is obtained from a person who was present when an event took place. The collection of primary data may be through the application of several instruments such as questionnaires, interviews, and observation, and focus discussion groups. For this research, structured questionnaires were applied is developed to capture all the items and be effective in collecting data.

#### **3.5.1 Pilot Study**

A pilot study was conducted to determine the validity and reliability of the research instruments. In this study, a total of 12 respondents participated in the

pilot study from Unilever Tea in Kericho County. Viechtbauer *et al.* (2015) argued that to effectively test the questionnaire, a threshold of 10% of the entire sample size is deemed appropriate for piloting. The data that was obtained from the pilot study was inserted into SPSS v22 software to aid in testing the validity and reliability of the research instrument.

### **3.6 Validity and Reliability of Research Instruments**

#### **3.6.1 Validity of Research Instruments**

Dikko (2016) explains that validity refers to the degree to which a research instrument measures the study concept accurately measures that which is intended to measure. To ensure that the research instrument complies with content validity, an expert in the field of research was consulted as it required some degree of subjectivity. Criterion-related validity was ensured through the comparison of the outcomes with the expected responses. Finally, construct validity was ascertained through consultation with the lecturer or experts.

#### **3.6.2 Reliability of Research Instruments**

Reliability is defined as the measure of the consistency of research instrument using the data collected and it measures therefore the dependability and consistency of results yielded by measuring instruments, (Bowling, 2014). The study used Cronbach's alpha to determine the degree of reliability of the research instrument. Trizano and Alvarado (2016) argued that Cronbach's alpha is a reliable predictor of the reliability and a coefficient of 0.70 or higher portrays that the instrument is reliable and is therefore acceptable being appropriate for any study and a coefficient of below 0.7, is unacceptable and data collection instrument should be revised.

### **3.7 Data Collection Procedures**

Smith-Hall *et al.* (2018) argued that data collection procedure refers to step that is followed while collecting data for a specific purpose. Data was collected using a questionnaire. The researcher got hold of the authorization to research Kenyatta University and used it to get a research license from NACOSTI. The researcher sought an appointment with the management of James Finlay Kenya Limited accompanying the research authorization and license so that the questionnaire may be administered when the selected respondents are free to ensure that the researcher does not affect the routine of the organization and to seek authority. The questionnaire then is distributed to the respondents and given some time to respond to the questionnaire. A date was then be set in which the questionnaires were picked and if the respondent delayed to fill and/or return the questionnaire, a polite reminder message and/or phone call was made.

### **3.8 Data Analysis and Presentation**

According to Washington, Karlaftis, Mannering, and Anastasopoulos (2020), a technique for analyzing data refers to the investigation of the data that has been collected during data collection seeking to understand a given phenomenon and making a conclusion. Ghauri, Gronhaug, and Strange (2020) argued that analysis of data is seeking to answer a given research question and is therefore the use of data gathered by administering research instruments, (Mays and Pope, 2020). The study used Statistical Package for Social Sciences Version 22. The data analyzed followed the following equation below;  $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$ . Where, Y is Performance of employee,  $\beta_0$  is a Constant Term,  $X_1$  is Rewards variable,  $X_2$  is Welfare and policies variable,  $X_3$

is Employee Development variable,  $X_4$  is Technology variable, and  $\beta_1, \beta_2, \beta_3, \beta_4$  are the Beta coefficients.

### **3.9 Ethical Consideration**

According to Artal and Rubinfeld (2017), ethical issues in research are the dos and don'ts when performing research. Ethics are therefore adhered to in ensuring that research participants are not in any way affected by the research or harmed. The investigator first obtained informed consent out of the selected respondents using an introductory letter that accompanied the research instrument that explained the reason for conducting research and assured them of anonymity. A research authorization letter was obtained from Kenyatta University graduate school to show that the researcher was a student of the University and that the research was authorized. This research authorization letter was used to obtain a research license from NACOSTI. The data that was collected was treated with utmost privacy and was not be disclosed or made public except with the expressed authority of the respondent.

## CHAPTER FOUR: RESULTS AND DISCUSSION

### 1.1 Introduction

The chapter covers data analysis and discusses the traits and attributes of the final study's sampled respondents and the viewpoint of the effect of the relationship between employee retention strategies and employee performance in James Finlay Limited. The chapter discusses the background information where years of experience, level of education of the respondent are discussed, descriptive statistics and inferential statistics upon which correlation, analysis of variance, and regression analysis are presented.

### 1.2 Respondent Rate of Response

The research instrument was delivered to 257 respondents. The rate of return of questionnaires is as presented in Table 4.1.

**Table 4.1: Response Rate**

	<b>Number</b>	<b>Percentage</b>
Received questionnaire	221	86
Not returned questionnaire	36	14
<b>Total</b>	<b>257</b>	<b>100</b>

**Source: Research data (2020)**

The researcher targeted 257 respondents. However, the researcher got 221 respondents representing 86% while those who failed to return the questionnaire were 36 respondents which represented 14%.

### 1.3 Reliability Analysis

The study was piloted to ascertain the reliability of the research instrument employed. The pilot study used 12 respondents and all nine respondents, received, filled, and returned the questionnaire. Reliability analysis was therefore carried out making use of Cronbach's Alpha which is applied to assess

internal uniformity by verification of specific items in the questionnaire. According to Orodho (1997), a coefficient of 0.70 and above is accepted as appropriate for any social science study below this is low. The results are presented in Table 4.2.

**Table 4.2: Reliability Analysis**

	<b>Cronbach's Alpha</b>	<b>No. of items</b>	<b>Decision</b>
Reward	0.812	12	Reliable
Welfare policies	0.845	12	Reliable
Employee engagement	0.715	12	Reliable
Adoption of technology	of 0.764	12	Reliable

**Source: Research Data (2021)**

The statistical package for social science was used to compute the Cronbach's alpha to test the internal steadiness of the research instrument for reward, welfare policies, employee engagement, and adoption of technology. The computed Cronbach's Alpha was 0.812, 0.845, 0.715, and 0.764 respectively which were all above the threshold of 0.70 which is the least acceptable measure of reliability. It can therefore be concluded that the research instrument was reliable.

#### **1.4 Respondent Demographic Information**

This section presents the general information obtained from the research. It specifically covers the institution the respondent's education level. These measures were important since they provided information that helped to tell whether the respondents have the information being looked for and the completeness of the information.

### 1.4.1 Level of Experience

The research instrument inquired the respondent's length of experience. The findings are presented in Table 4.3.

**Table 4.3: Respondent's level of experience**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Less than 5 years</b>	51	22.8
<b>5-10 years</b>	74	33.1
<b>11-15 years</b>	56	25.32
<b>16-20 years</b>	29	13.3
<b>Above 20 years</b>	11	5
<b>Total</b>	<b>221</b>	<b>100</b>

**Source: Research Data (2021)**

Respondents that had worked for 5-10 years were the majority represented by 33.1% (74). It is closely followed by those who had worked for a period between 11-15 years which was evidenced by 25.32%, (56) of the respondents. Those who had worked for a period between 0-5years were 22.8%, (51) of the respondents. While respondents who had worked for 16-20 years and above 20 years were the least as evidenced by 13.3% (29) and 5% (11) respectively 32.91% and 25.32% had sufficient experience and were subsequently deemed well equipped with the information required for this study.

### 4.4.2 Respondents highest level of education

The research instrument also inquired about the level of education of the respondents. The findings are presented in table 4.4.

**Table 4.4: Level of Education of Respondents**

<b>Level of education</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Certificate</b>	50	22.8
<b>Diploma</b>	106	48
<b>Graduate</b>	56	25

<b>Postgraduate</b>	8	3.8
<b>Total</b>	<b>221</b>	<b>100</b>

**Source: Research Data (2021)**

Respondents who had diplomas being their highest qualification were the majority and were represented by 48% (106). They were followed in number by those who had graduate qualifications which were represented by 25% (56) of the total respondents. There were 18 respondents with certificate qualification which represents 22.8 %, (56) and the least were those with a post-graduate qualification which was represented by 3.8% (8) of the respondents. The essence for inquiring about the qualifications of the respondent was to be able to know whether they were able to understand the question or not.

#### **4.5 Descriptive Statistics**

The purpose of this research was to institute the connection that exists amid retention of employee strategies and employee performance in James Finlay Limited. The study computed descriptive statistics for the study. The study presented descriptive statistics results using mean and standard deviation.

##### **4.5.2 Employee Reward**

This study's first objective was to establish the effect of employee reward on employee performance in James Finlay Kenya Limited. The respondents gave responses to statement relating to employee rewards on the Likert scale according to the level they agree. The results are presented in Table 4.5.

**Table 4.5: Employee Reward**

<b>Statement</b>	<b>Mean</b>	<b>SD</b>
Salary and wages accorded to the employees have assisted them in producing quality service delivery.	4.1025	.8512

Organization promotion of employees improves the quantity of tea output.	3.8512	1.0852
Work environment influences employee productivity	3.6214	1.0258
Rewards through salary, promotions, and working environments ensure the quantity of service delivery	1.0004	.2154

**Source: Research Data (2021)**

The questionnaire sought to inquire whether the employee reward influences employee performance in James Finlay Kenya Limited. The majority of the respondents agreed that Salary and wages accorded to the employees has assisted them in producing quality service delivery, mean of 4.1025 and variation was low as depicted by the standard deviation of 0.8512. As to whether the Organization's promotion of employees improves the quantity of tea output, respondents agreed to the statement with a mean of 3.8512 and variation was a low standard deviation of 1.0852. The questionnaire further inquired if the working environment has an influence on employee productivity 3.6214 and the level of variation in the agreement was noticeable, a standard deviation of 1.0258. Lastly, it was inquired whether rewards through salary, promotions, and working environments ensure the quantity of service delivery. Respondents agreed with a low level of variation.

This study's findings concurred with those of the study conducted by Edirisooriya (2015) which established a linear and significant association amid intrinsic and extrinsic reward and performance of the employee. The study further established that that pay and recognition are the most important and influential elements the affected employee performance. The findings of this stud also contradict that of Daniels *et al.* (2019) which claimed that cash bonuses do not affect the performance of employees.

### 4.5.3 Welfare Policies

This study's second objective was to establish the effect of welfare policies on employee performance in James Finlay Kenya Limited. The respondents were therefore required to respond to the statement relating to welfare policies on the Likert scale according to the level they agreed.

**Table 4.6: Welfare Policies**

Statement	Mean	SD
The organization has promoted policies that enable employee retention hence reducing cost	3.6952	.9521
The organization has enhanced salary increment policies that have ensured high job retention	2.0178	.3657
Employees benefit from credit facilities policies that have enhanced the high performance of employees	1.7854	.4521
Promotion, salary increment, and credit facility policies have encouraged the retention of employees.	3.6501	.6273

**Source: Research Data (2021)**

The questionnaire sought to inquire whether welfare policies affect employee performance at James Finlay Kenya Limited. The first questionnaire was posted to inquire whether the organization has promoted policies that enable employee retention hence reducing cost. The majority of the respondents moderately agreed with the statement and the level of variation in agreed was moderate. Additionally, the questionnaire inquired whether James Finlay Kenya Limited has policies in place that enable the employee to earn better in the future, the study findings showed that there was a low level of agreement, a mean of 2.0178, the level of variation was low, the standard deviation of 0.3657. The respondents disagreed that they benefit from the credit facility that the organization offers to them, mean of 1.7854 with a low level of variation, as depicted by the low figure of the standard deviation of 0.4521. The questionnaire further inquired whether the promotion, salary increment, and

credit facility policies have encouraged retentions of employees, majority of the respondents disagreed with the statement as shown by the computed mean of 3.6501 with stability in the level of variation as shown by the standard deviation of 0.6273. Kamkari, Ghafourian, and Hossein (2015) claimed that welfare policies have a direct impact on employee performance.

#### 4.5.4 Employee Development

This study’s third objective was to establish the effect of employee development on employee performance in James Finlay Kenya Limited. The respondents were therefore required to respond to the statement relating to centralized purchasing on a Likert scale according to the level they agree. Results are in Table 4.7.

**Table 4.7: Employee Development**

<b>Statement</b>	<b>Mean</b>	<b>SD</b>
Employee development through training assists employees to be efficient.	4.8620	.1572
Mentoring assisted the organization to have efficient employees.	4.1284	.5271
Credit facility policy has assisted the employee’s efficiency	1.7854	.4521
Training, mentoring, and career development have enhanced the efficiency of employees.	3.8564	.3867

**Source: Research Data (2021)**

The questionnaire sought to investigate the relationship between employee development and employee performance in James Finlay Kenya Limited. The first question asked whether employee development through training assists employees to be efficient. The majority of the respondents strongly agreed with the statement as shown the mean of 4.8620 with a low level of variation as shown by a standard deviation of 0.1572. As to whether mentoring assisted the organization to have efficient employees, respondents agreed with the

statement, a mean of 4.1284 with a low level of variation, a standard deviation of 0.5271. The respondents disagreed that they benefit from the credit facility that the organization offers to them, mean of 1.7854 with a low level of variation, as depicted by the low figure of the standard deviation of 0.4521. Lastly, the questionnaire inquired whether employee training, mentoring, and career development have enhanced the efficiency of employees. The respondents agreed with the statement as shown by a mean of 3.8564.

The finding of this study was in line with the findings of the study conducted by Sheehan and Anderson (2015). The training was positively related to organizational performance. The study further supports the findings of Mundia and Iravo (2018) which concluded that mentorship program plays a crucial role in enhancing the transfer of knowledge, guidance for career choice, enhancement of skills, and greatly affected performance of the employee.

#### **4.5.5 Adoption of Technology**

This study's fourth objective was to establish the effect of technology employee performance in James Finlay Kenya Limited. The respondents were therefore required to respond to the statement relating to centralized purchasing on a Likert scale according to the level they agree. Results are in Table 4.8.

**Table 4.8: Adoption of Technology**

<b>Statement</b>	<b>Mean</b>	<b>SD</b>
The organization has the expertise that assists in ensuring there is quality service delivery	3.9261	.7498
Training offered to the employees has ensured employee performance	4.5217	1.2791
There is skills transfer through the advancement of technology which has ensured quality work done.	1.9276	1.8524

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Expertise, training has ensured skill development through the use of technology to enhance the quality-of-service delivery.	4.2891	.8768
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**Source: Research Data (2021)**

The questionnaire inquired about the impact of the adoption of technology on employee performance. The first question asked whether the organization has the expertise that assists in ensuring there is quality service delivery by its employees, respondents moderately agreed with the statement as depicted by a mean of 3.9261 and the level of variation was low, a standard deviation of 0.7498. Respondents were also asked to tell whether the training that the organization has carried out related to the use of technology has enabled them to improve work performance, respondent strongly agreed that they have benefited from the training as shown by a mean of 4.5217 with a high level of variation, a standard deviation of 1.2791. Respondents did not agree with the statement that skills are transferred through the advancement of technology which has ensured quality work done, a mean of 1.9276 with a high level of variation in the level of agreement, as shown by a standard deviation of 1.8524. Lastly, the questionnaire inquired whether expertise and training have ensured skill development through the use of technology to enhance the quality-of-service delivery. Respondents strongly agreed with the statement. These findings supported the findings established by Kariuki (2015) which discovered that the application of technology in discharging roles positively affects employee performance.

#### 4.5.6 Employee Performance

The research instrument inquired about the performance level of employees in the James Finlay Kenya Limited study. The respondents were therefore required to respond to statement on the Likert scale according to the level they agree.

**Table 4.9: Employee Performance**

<b>Statement</b>	<b>Mean</b>	<b>SD</b>
Rewards have improved quantity and quality of service delivery	3.6215	.9851
Welfare policies have ensured employees retention and as such has improved employee performance	2.3549	1.2186
Employee development leads to increased efficiency of employee performance	4.0257	.8679
Technology enhances employee performance which ensured the quality-of-service delivery	3.8546	.7518
Employee retention through reward, welfare policies, employee development, and technology improve employee performance	3.8762	.7961

**Source: Research Data (2021)**

The last section of the descriptive statistics section presents the descriptive statistics of the dependent variable. The first question asked whether rewards have improved quantity and quality of service delivery, the respondents agreed with the statement with a mean of 3.6215, and the level of variation was low. Welfare policies have ensured employees retention and as such have led to improved employee performance. There was unison in the level of agreement that employee development leads to increased efficiency of employee performance, (mean of 4.0257, std dev. 0.8679). Respondents also moderately agreed that technology enhances employee performance which ensured the quality-of-service delivery with a mean of the level of variation was low, a standard deviation of 0.7518. Lastly, the questionnaire sought to inquire whether employee retention through reward, welfare policies, employee

development, and technology improve employee performance. Respondents, moderately agreed with the statement as shown by a mean of 3.8762 and the level of variation was low as shown by the standard deviation of 0.7691

#### 4.6 Inferential Statistics

The study further did inferential statistics besides the descriptive statistics so far computed and presented. Descriptive and inferential statistics complement each other while attempting to understand a given phenomenon, (Babbie, 1990). Inferential statistical tools ranging from correlation coefficient, analysis of variance, and regression analysis were computed.

##### 4.6.2 Correlation Analysis

Correlation analysis between the variables of the study is presented in this section to assess. The study computed Pearson’s correlation coefficient between pairs of variables. The results of the study are in Table 4.10.

**Table 4.10: Correlation coefficients**

	Performance	Reward	Welfare policies	Employee development	Adoption of technology
Performance	1.000				
Reward	.085	1.000			
Welfare policies	.733	.687	1.000		
Employee development	.857	.868	.732	1.000	
Adoption of technology	.796	.794	.536	.742	1.000

**Source: Research Data (2021)**

As argued by Yucel (2012), correlation values of between 0.0 and 0.3, it is considered that there is no correlation, values of between 0.31 and 0.7, it is

considered to be a weak correlation whereas values of more than 0.7 are considered to have strong correlation values of 1 is perfect correlation. Positive values refer to a positive correlation while negative values are considered inverse relationships. Testing at a 95% level of significance, a positive and strong correlation was discovered between performance and all the independent variables (reward, welfare policies, employee development, and adoption of technology). At a 95% level of significance, the independent variables were positively correlated to each other.

#### 4.6.3 Regression Model

The study has employed a regression model to establish if independent variables have a significant effect on employee performance at James Finlay Kenya Limited. The model was employed at a 95% confidence interval hence significance was determined at the ( $p < 0.05$ ) threshold.

**Table 4.11: Model Summary**

Model	R	R Square	Adjusted R Square	The estimated standard error
1	.810 <sup>a</sup>	.656	.612	1.57672

a. Predictors: Reward, welfare policies, employee development and adoption of technology  
 The independent variables (reward, welfare policies, employee development, and adoption of technology) jointly determined 61.2% of the variation in the level of employee performance in James Finlay Kenya Limited. The remaining 48.8% of the variation in employee performance is not known therefore further studies in the future should be conducted to establish other factors which explain the remaining 48.8%. The standard error of the estimate (1.577) represents the mean distance of the observed values fall from the regression line which means the data points on average are 1.577% fluctuates away from the line of best fit.

This standard error is acceptable since it is less than the level of significance of 5%.

The result for analysis of variance for the relationship between employee retention strategies and employee performance and its sub-variables investigated in this study is presented.

**Table 4.12: Analysis of Variance**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13.175	3	4.392	13.204	.000 <sup>b</sup>
	Residual	24.613	74	.333		
	Total	37.788	77			

a. Dependent Variable: Performance

b. Predictors: (Constant), reward, welfare policies, employee development and adoption of technology

**Source: Research data (2020)**

The P-value calculated of 0.000 that was below 0.05 explains that the regression relationship was noteworthy in predicting the reward, welfare policies, employee development, and adoption of technology on employee performance in James Finlay Kenya Limited. The calculated F (13.204) was significantly bigger than the critical value of  $F = 2.4288$ . Moreover, the findings further indicate that the model was fit for the study.

The coefficient for regression equation of the association between the study's independent variables; reward, welfare policies, employee development and adoption of technology, and the dependent variable; employee performance as shown in Table 4.13.

**Table 4.13: Regression Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.131	.759		.173	.063
Reward	.359	.115	.346	3.107	.003
Welfare policies	.498	.169	.328	2.952	.004
Employee development	.102	.088	.109	1.159	.250
Adoption of technology	.474	.455	.445	1.043	.006

a. Dependent Variable: employee performance

Source: Research Data (2021)

Regression equation becomes;

$$Y = -0.131 + 0.359X_1 + 0.498X_2 + 0.102X_3 + 0.474X_4$$

From the computed regression coefficients, it is established that whenever all the independent variables investigated for this study i.e reward, welfare policies, employee development, and adoption of technology are assumed to be constant at zero, employee performance at James Finlay Kenya Limited -0.131. The study findings show that examining the changes in all other variables investigated and assuming that they are held at zero, a rise in the measure of reward by a single unit leads to an increase in the level of employee performance by 0.359 units with a P-value of 0.003 which was less than the alpha value of 0.05 implying the effect was significant. A unit rise in welfare policies results in a rise of employee performance by 0.498 units which was less than the value for alpha implying the effect of welfare policies was significant.

Unit rise of employee development would result in a rise of employee performance by 0.474 units with a P-value of 0.006 which was less than the

alpha value of 0.05 implying that the relationship is significant and lastly a unit rise of adoption of technology would result in a rise of employee performance by 0.102 that the effect was insignificant. All the independent variables taken into investigation were positively correlated to performance. Welfare policies had the biggest impact on performance, followed by the adoption of technology; reward and employee development had the least effect. The regression coefficients were computed at a 5% level of significance.

## **CHAPTER FIVE: SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

### **5.1 Summary of the Study Findings**

The objectives of this study were: To establish the effect of reward, welfare policies, employee development, and adoption of technology on employee performance in James Finlay Kenya Limited.

#### **5.1.1 Reward**

Concerning the effect of reward on employee performance in James Finlay Kenya Limited, the majority of the respondents agreed that salary and wages accorded to the employees have assisted them in producing quality service delivery. There was unison in the level of agreement that organization promotion of employees improves the quantity of employee output. Respondents agreed further agreed that the working environment influences employee productivity. Lastly, respondents strongly agreed that rewards through salary, promotions and working environments ensure the quantity of service delivery. A unit rise in reward by a single unit leads to an increase in the level of employee performance by 0.359 units the effect was significant. The reward was significant in determining employee performance.

#### **5.1.2 Welfare Policies**

The majority of the respondents moderately agreed with the statement and the level of variation in agreed was moderate. Additionally, the questionnaire inquired whether James Finlay Kenya Limited has policies in place that enable the employee to earn better in the future, the study findings showed that there was a low level of agreement. The respondents disagreed that they benefit from the credit facility that the organization offers to them. The questionnaire further

inquired whether the promotion, salary increment, and credit facility policies have encouraged the retention of employees. A unit rise in welfare policies results in a rise in employee performance by 0.498 units.

### **5.1.3 Employee Development**

Concerning the effect of employee development on employee performance in James Finlay Kenya Limited, the majority of the respondents strongly agreed that employee development through training assists employees to be efficient and has resulted in a rise in employee performance in the organization. Respondents agreed that mentoring assisted the organization to have efficient employees. The respondents disagreed that they have benefited from the credit facility that the organization offers to them. A unit rise of employee development would result in a rise of employee performance by 0.474 units with a P-value of 0.006 which was less than the alpha value of 0.05 implying that the relationship is significant.

### **5.1.4 Adoption of Technology**

Respondents moderately agreed that the organization has the expertise that assists in ensuring there is quality service delivery by its employees. Respondent strongly agreed that training that the organization has carried out related to the use of technology has enabled them to improve work performance. Respondents disagreed with the statement that skills are transferred through the advancement of technology which has ensured quality work is done. Lastly, respondents strongly agreed that expertise and pieces of training have ensured skill development through the use of technology to enhance the quality of service delivery. A unit rise of adoption of technology would result in a rise of employee performance by 0.102 units.

## **5.2 Conclusions of the Study**

From the study findings, it can be concluded that James Finlay Kenya Limited has been rewarding its employees sufficiently that has assisted employees to meet the expectation. It was further discovered that reward plays a critical in determining the level of employee performance. Also from the study findings, there is a great role that posts the employee work environment that should be undermined if the organization wants to ensure that employee performance is improved. Findings on welfare policies showed that James Finlay did not have clear policies in place for promoting employees. The organization also does not give its employees annual or predetermined periodic salary increments and the organization enhances employees' salaries on an irregular basis. Further, James Finlay Kenya Limited has a credit facility in place meant for welfare and employee development but has not benefitted most of the employees as it was accessible. Training and mentorship programs rendered to employees have made employees efficient in discharging their roles. The introduction of the use of technology has led to an increased level of employee performance due to increased efficiency.

## **5.3 Recommendations of the Study**

For the tea industries in Kenya to raise employees, they should design a reward system that meets employees' needs, the tea industry should establish a trade-off between financial and non-financial reward systems. The employee work environment is a key element in employee performance and as such, tea industries in Kenya need to consider instituting a positive employee work environment to reap the benefits of employee performance. Additionally, the use of technology should be adopted in employee work systems that may

encompass working from home, work transmission among others. This will in turn increase employee efficiency and thus employee performance.

Tea industries in Kenya to design employee welfare policies that are employee-focused. Since employee welfare requirements differ from employee to employee and industry to industry, the study recommends that organizations need to involve employees in what should be provided to them as per welfare. Additionally, welfare programs developed by the organization need to be communicated to all employees formally and applied without any discrimination. Lastly, the tea industry in Kenya needs to design employee development schemes in the form of, mentorship programs and training in formal and informal pieces of training. The employee development so designed should be applied right from the inception of employees into the organization.

#### **5.4 Suggestion for Further Research**

The variables investigated to be the measures of employee retention only determined 61.2% of the variation in the level of employee performance in James Finlay Kenya Limited. The remaining 38.8% of the variation in employee performance. Therefore, further studies in the future should be conducted to establish other factors which explain the remaining 38.8%.

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## APPENDICES

### Appendix I: Introductory Letter

My name is Betty C. Sang, and I am pursuing a master's course in Business and majored in Human Resource Management. To fulfill course requirements is to research the area of the course and I decided to investigate “**Employee retention strategies and employee performance in Tea industry in Kenya, a case study of James Finlay Kenya Limited**”. You are therefore requested to facilitate in completing the research by responding to the questionnaires here attached. Be assured of the confidentiality of your responses.

Betty C. Sang

## Appendix II: Questionnaire

### Instruction:

What is your level of education?

.....

1. Level of experience in years

.....

### SECTION B: Sectional Questionnaires

#### Part 1: Rewards

The objective for part 1 is the reward in relation to employee performance.

At your workplace to what extent do you agree with the following statements?

Rewards	Rating				
	1	2	3	4	5
Salary and wages accorded to the employees have assisted them in producing quality service delivery.					
Organization promotion of employees improves the quantity of tea output.					
The work environment is conducive for high production					
Rewards through salary, promotions, and working environments ensure the quantity of service delivery					

#### Part II: Welfare Policies

This part presents the objective of welfare policies and employee performance.

At your workplace to what extent do you agree with the following statements?

Welfare Policies	Rating				
	1	2	3	4	5
The organization has promoted policies that enable employee retention hence reducing cost					
The organization has enhanced salary increment policies that have ensured high job retention					
Employees benefit from credit facilities policies that have enhanced the high performance of employees					

Promotion, salary increment, and credit facility policies have encouraged the retention of employees.					
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### Part III: Employee Development

This part presents questions on employee development concepts and employee performance. At your workplace to what extent do you agree with the following statements?

Employee Development	Rating				
	1	2	3	4	5
Employee development through training assists employees to be efficient.					
Mentoring assisted the organization to have efficient employees.					
Credit facility policy has assisted the employee's efficiency					
Training, mentoring, and career development have enhanced the efficiency of employees.					

### Part IV: Technology

This part provides information about technology in relation to the performance of the employee. At your workplace to what extent do you agree with the following statements?

Technology	Rating				
	1	2	3	4	5
The organization has the expertise that assists in ensuring there is quality service delivery					
Training offered to the employees has ensured employee performance					
There is skills transfer through the advancement of technology which has ensured quality work done.					
Expertise, pieces of training have ensured skill development through the use of technology to enhance the quality of service delivery.					

### Part V: Employee Performance

This section has questions on employee performance in relation to employee retention. To what extent do you agree with the following statements?

<b>Employee performance</b>	<b>Rating</b>				
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
Rewards have improved quantity and quality of service delivery					
Welfare policies have ensured employees retention and as such has improved employee performance					
Employee development has increased the efficiency of employee performance					
Technology has enhanced employee performance which ensured the quality of service delivery					
Employee retention through reward, welfare policies, employee development, and technology improve employee performance					

## Appendix III: Letter of Approval from Kenyatta University Graduate School



### KENYATTA UNIVERSITY GRADUATE SCHOOL

E-mail: [dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 810901 Ext. 57530

Website: [www.ku.ac.ke](http://www.ku.ac.ke)

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Internal Memo

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FROM: Dean, Graduate School

DATE: 29<sup>th</sup> September, 2020

TO: Betty C. Sang  
C/o Business Administration

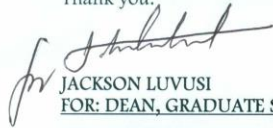
REF: D53/KER/PT/279922/2013

SUBJECT: CORRECTION OF PROJECT PROPOSAL TITLE  
=====

This is to inform you that Graduate School Board, at its meeting of 11<sup>th</sup> September, 2020, approved your Research Project Proposal for the MBA Degree subject to deleting "Study" in the title.

Please ensure that you forward a copy of the amended title through the Chairman of your Department before you get the research authorization so that you can proceed to the field.

Thank you.

  
JACKSON LUVUSI  
FOR: DEAN, GRADUATE SCHOOL

c.c. Chairman, Department of Business Administration

Supervisors:

1. Dr. Felistus Makhamara  
Department of Business Administration  
Kenyatta University

JL/sm

**Appendix IV: Letter of Introduction from Kenyatta University Graduate  
School**

**Appendix V: Letter of Introduction from NACOSTI**

## Appendix VI: NACOSTI Research Permit

 <b>REPUBLIC OF KENYA</b>	 <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
Ref No: <b>982279</b>	Date of Issue: <b>25/November/2020</b>
<b>RESEARCH LICENSE</b>	
	
<b>This is to Certify that Ms. BETTY CHEPKEMOI SANG of Kenyatta University, has been licensed to conduct research in Kericho on the topic: EMPLOYEE RETENTION STRATEGIES AND EMPLOYEE PERFORMANCE IN TEA INDUSTRY IN KENYA. A CASE OF JAMES FINLAY KENYA LIMITED for the period ending : 25/November/2021.</b>	
License No: <b>NACOSTI/P/20/7625</b>	
<b>982279</b> Applicant Identification Number	 Director General <b>NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY &amp; INNOVATION</b>
	Verification QR Code 
<b>NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.</b>	