

# THE INTERNATIONAL JOURNAL OF HUMANITIES & SOCIAL STUDIES

## Influence of Employee Relations Practices on Organizational Performance in Public Universities in Mt. Kenya Region

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### **Abstract:**

*The purpose of the study was to establish the influence of employee engagement on organizational performance in public Universities in the Mt. Kenya Region. The study targeted all the public universities in Mt. Kenya Region. Data was gathered by use of a questionnaire which was subjected to pre-test to ensure its reliability and validity. The study adopted descriptive survey research design. The target population for the study was 2984 and a sample size of 271 respondents was drawn from both teaching and non-teaching staff. Stratified random and purposive sampling procedures were employed by the study. The study adopted basic descriptive statistics such as frequencies and percentage. The study generated both qualitative and quantitative data which adopted the use of likert scales, measures of central tendency and use of multiple regressions analysis. The data was presented through the use of tables, charts and figures. All the questionnaires were termed as valid with 88.6% response rate. Correlation and regression analysis were adopted to establish the relationship between the variables. The study results indicated that there was a positive and significant and positive relationship between employee engagement and organizational performance. The study concluded that high engagement and involvement of workers creates a sense of belonging hence leading to low employee turnover as well as improving role performance. The study recommended the need for the management to strive to highly engage workers and cultivate participatory supervisory support by putting in place proper delegation mechanisms in place. This will harness the employees to their full-selves in active and complete work roles. The study also recommended other areas of employee engagement like flexible working arrangements, reward and recognition, continuous training, work place health and safety as well as work life balance to be further researched on.*

**Keywords:** trade unions, employee relations, employee engagement, supervisory support, staff involvement, organizational performance

## **1. Introduction**

### **1.1. Background of the Study**

The employee relations climate of an organization represents the perceptions of government, management, employees and employees' unions and their perspectives about the ways in which employee relations are conducted and how various parties be it management, employees and trade unions behave while dealing with one another. The nature of employee relations then and the basic relationship between profit and wages, authority and compliance creates a persistent tension between the employers, employees, management and the entire workforce. It's, therefore, essential to acknowledge the value associated with employee relations that are distinct from economic efficiency. Employee engagement factor is key to influencing the organizational performance.

Organizational performance, thus, is highly linked to putting in place good human relations management practices hence human capital, being one of the most valuable asset and a major ingredient in the organization, becomes the key to success of any organization.

'The Engage for Success movement' launched by the UK prime minister in 2011 claims to have employers on board, with a combined total of two million employees (2014) with task groups, a guru group of experts, and what they hoped was the definitive proof that better engagement was certainly associated, if not causally so, with better organizational performance (Rayton *et al.*, 2012)

The management of employee engagement in the UK National Health Service illustrates that properly constructed studies of employee engagement can inform policies and practices to improve work relations, employee well-being and aspects of performance.

Rich *et al.* (2010:619) in his paper strongly argues that the relationship between work-life balance and job performance can be better connected by a mediating variable which represents a more holistic view of an individual. Employee engagement is that construct which comprises physical, cognitive and emotional aspects of an individual and therefore represents an inclusive view of an individual (Rich *et al.*, 2010). Hence, it is intensively recommended that employers must consider employee engagement as a mediating variable which would link work-life balance and job performance in specific to women workforce in Indian hospitality industry.

In Tanzania, Janes (2018) conducted a study on effects of employee relations on employee performance and organizational Performance-Study of Small Organizations. The results of the findings established that there is a positive statistical significant relationship not only between employee relations and employee performance, but also between employee relations and organizational performance. Hence, the need to focus more on implementing fair labour practices and building effective and sustainable employee relations that would ensure their growth and survival.

Muthoka M.K (2017) conducted a study in the public health sector on the influence of employee relations practices on organizational performance of public healthcare sector in Kenya. One of the areas recommended for further research was employee engagement and its influence to organizational performance.

However, despite the competitive edge that may be secured from sources such as product innovation, technological change and the more efficient utilization of energy and raw materials, the manner in which and the terms and conditions under which a workforce performs its functions, will normally have a major bearing on the organizational long term success.

It is in view of the above that the study sought to establish how employee engagement influenced organizational performance.

### 1.2. Statement of the Problem

As per the Session-Paper-No-1-of-2019, the university sub-sector has witnessed tremendous growth in the last 5 years, both private and public. Along with the growth in the number of universities, has come huge growth in enrollments. Total university student enrolment increased by 64 percent from 361,379 in 2013/14 to 564,507 in 2016/17. This increase posed challenges of financing by the Government and hence the need for diversifying sources of income and more cost effective use of institutional resources. This meant that the universities needed to remain relevant and adaptive in the changing environment. Based on this, therefore, there was need for putting measures of promoting employee relation practices like 'employee engagement by the University Managements' so as to cater for sustainable development. This meant that if these issues were not addressed, there would be inadequate capacity for the universities to be able to perform efficiently since there would be a mismatch of the skills obtained and the demands of the industry.

The growth in numbers meant high staff participation and involvement and adequate human capital support to enhance relevance and responsiveness to the market for the staff to be able to adequately handle these student's needs. Employee engagement was a mediating factor to improved organizational performance.

It is the view of the arguments above that this study sought to establish the influence engagement on the performance of the public universities in Mt. Kenya Region.

### 1.3. Study Objectives

To establish how employee engagement influences organizational performance in Public Universities in the Mt. Kenya Region.

### 1.4. Significance of the Study

The study will help the scholars in identifying the gaps which are within the selected universities so as to reduce employee dissatisfaction and create a conducive working environment and improve organizational performance. It will enlighten management of best employee relations practices to employ at workplace to improve organizational performance. It will be a recipe to improving organization's productivity and employee's motivation. It will also help the other scholars because it will be a secondary source of information in their research work. The immediate community will also benefit because once the structures of the organization are well-defined, there will be improved service delivery which will reduce time wastage and they will also be able to identify their rights and the right channels of communication and this will improve relations hence building the corporate image.

## 2. Literature Review

### 2.1. Theoretical Framework

#### 2.1.1. Social Cognitive Theory

It was developed by Bandura (1986) and it was based on his central concept of self – efficacy. It suggested that what people believe they can or cannot do powerfully impacts on their performance. Thus, developing and strengthening positive self-belief in employees was, therefore, an important performance management objective.

In support of the above theory, Armstrong (2006) indicated that the overall objective of performance management was to develop capacity of people to meet and exceed expectations and to achieve their full potential to the benefit of themselves and the organization. As Buchner (2007) emphasizes that performance is not just a top-down process in which managers tell their subordinates what they think about them, set objectives and institute performance improvement plans but it should be something that is done for the people in partnership with them. It involved managers and those whom they manage acting as partners within a framework that sets out how they can best work together to achieve the required results. It was based on the principle of management by contract and agreement rather than management by command. It relied on consensus and cooperation rather than control or coercion.

Based on the above, employee involvement and engagement in the decision making processes in the organization improved their confidence and boosted their positive belief and hence improved the organizational performance. This was due to the fact that their performance was measured by the objectives that have been agreed on by them and the managers as guided by the spirit of teamwork.

## 2.2. Empirical Literature

Zinger (2010) defined 'employee engagement' as the art and science of engaging people in authentic and recognized connections to strategy, roles, performance, organization, community, relationship, customers, development, energy and transform the work.

An empirical study by Gikonyo (2018) on the influence of employee engagement on performance was conducted and it found that it was mediated by organizational commitment. A recommendation of considering personal traits while hiring and creation of conducive conditions in the work place lead to acceptance of organizational goals as well as motivating employees to put in extra effort to ensure their achievement and hence overall organizational performance.

Research on human resource management in organizations by Robinson (2006) suggested there was considerable evidence that many employees were greatly under-utilized in the workplace through the lack of involvement in work-based decisions. Employee involvement was seen as a central principle of 'soft' HRM, where the focus was upon capturing the ideas of employees and securing their commitment (Beardwell and Claydon, 2007) as per their study on 'Human Resource Management, A Contemporary Approach'. The concept of employee involvement was strongly grounded in unitarist views of organisations, as it assumes that managers and employees have the same interests.

BL Rich, JA Lepine, ER Crawford (2010) on their study on job engagement concluded that practices that engender engagement among employees can enhance job performance and these improvements are likely to come in the form of both task performance and organizations citizenship behavior.

It has been argued that one of the main drivers of employee engagement is for employees to have the opportunity to feed their view upwards (Truss et al 2006) in their survey '*Working Life: Employee Attitudes and Engagement*'. Their survey concluded that currently many organizations are not very successful in doing this and as a result many employees felt they lacked opportunities to express their views and be involved in decisions. On the other hand, researchers at Towers, Perrin (2003) on his study on 'working today: understanding what drives employee engagement' found employers are doing well in giving employees the freedom to make decisions relating to their jobs; 62 per cent of respondents argued they have an appropriate amount of decision-making authority to do their job well. 'A study on the role of employee engagement in the relationship between job design and task performance, citizenship and deviant behaviours' by Amanda, Kerstin, Truss, Catherine and Soane, Emma (2013) added that if organizations ensure jobs provide individuals with variety, significance, autonomy and feedback, then people would be more engaged at work, leading to positive performance outcomes and low deviance levels.

## 3. Research Methodology

This study adopted descriptive survey research design. The target universities from Mt. Kenya are Meru, Chuka, Embu, Dedan Kimathi, Karatina, Muranga and Kirinyaga. The target population of this study was 2984 both teaching and non-teaching staff. The sample size was 271 respondents. Descriptive survey research design was employed. Purposive sampling was done for human resource officers who form part of the non teaching staff. Stratified random was also adopted for the rest of the respondents. A questionnaire, which was sent as a Google form, was used as the data collection tool which was disseminated through respondents' emails. A pilot test had been done to test the reliability of the tool though its results were not included in the main study results. Quantitative data was analysed using descriptive statistics using SPSS, whereas tables and figures were used in data presentation. Qualitative analysis was also done to get the opinions the respondents and results also analysed through tables. Correlation and regression analysis was also adopted to establish the relationship between employee engagement and organizational performance.

## 4. Results

### 4.1. Demographic Results

Questions regarding demographic information such as age of the respondents, the gender of the respondents, job category and level of education were asked and the findings are as indicated below:

#### 4.1.1. Gender of the Respondents

Gender of the respondents was examined; most of the participants were females (57%), while males recorded 43%.

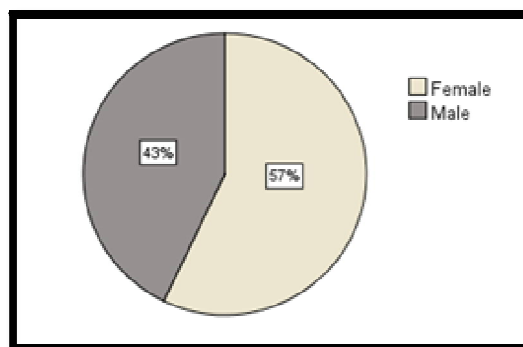


Figure 1: Gender of the Respondents

#### 4.1.2. Job Category of the Respondents

The respondents were asked to indicate job categories, as shown on Figure 4.2. Majority of the respondents (58%) were non-teaching staff, followed by Teaching staff (38%) and Human resource officers (4%).

The study found out that 62% of the respondents were non-teaching staff which was a combination of both the non-teaching staff and human resource officers. The study involved the human resource officers to check whether there would be more unique and distinctive mode of answering and the study found out that all the respondents both in the teaching and non-teaching category had proper and sufficient understanding of their working environment.

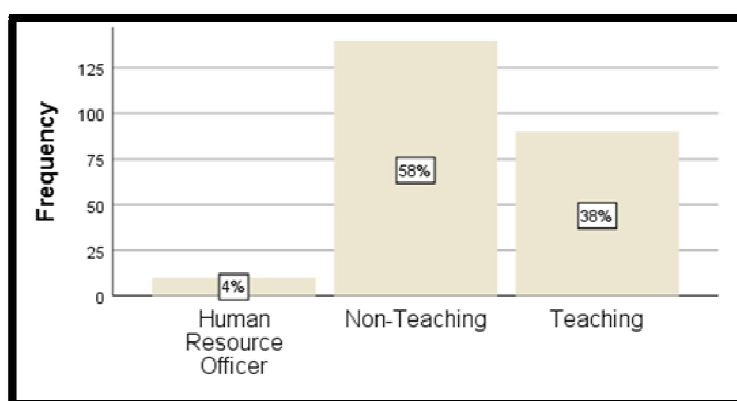


Figure 2: Job Category

#### 4.1.3. Age Bracket of the Respondents

The respondents were asked to indicate their age brackets categories, as shown on Figure 4.3. Majority of the respondents (43%) were between 36 and 45 years, tied with respondents (43%) who aged between 25 and 35 years, followed by those who aged above 45 years (13%), and those who aged below 24 years (1%).

The study found out that most of these universities' respondents were aged between 25 and 45. Thus, most of these respondents were in their productive stage when they felt that there was need for their organizations to put in proper mechanisms to take care of career growth and development, work life balance since most of them were still pursuing further studies and also reward them appropriately.

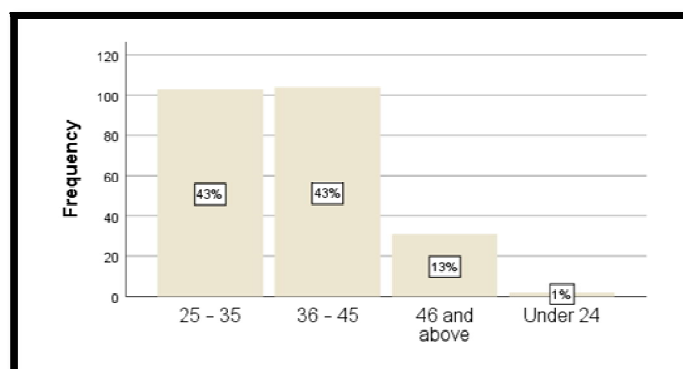


Figure 3: Age Bracket Category

#### 4.1.4. Level of Education

The findings indicated on table 4.2 showed that most of the respondents which is 42.5 % in the study had attained master's degree, this was followed by 36.7% respondents with a degree and 9.2% had diploma qualifications. The findings

implied that most employees in these universities had minimum basic education, hence the ability to attend to all the questions and there was no need for research assistants to interpret the questions for them.

Level of Education	Frequency	Percent
Degree	88	36.7
Degree; CPA Finalist	1	0.4
Diploma	22	9.2
Diploma; CPA finalist	1	0.4
Diploma; Masters	1	0.4
Masters	102	42.5
Masters; CHRP Professional and IHRM Certified	1	0.4
Masters; CPA finalist	1	0.4
Ph.D	23	9.6
Total	240	100.0

Table 1: Highest Level of Education

#### 4.1.5. Length of Service

Figure 4.4 indicates that most of the respondents (51%) in the study had worked in the institution for a period of 6 to 10 years; this was followed by 40% of the respondents who had worked for 0 to 5 years. 10% of the respondents had worked for a period of more than 10 years.

This study established that most of the university had worked for their institutions for 6 - 10 years. This is the reason why these universities were chartered from the year 2013. Thus, most of those employees had not left their universities to seek for greener pastures. This study found out that there was low employee turnover by the employees which could have resulted due to job security and availability of opportunities for growth.

The study found out also that the few respondents accounting for 10% were the starters of the universities who had seen the universities grow to the current state and were very experienced.

However, following the 40% of respondents who had worked for less than five years was a contribution of the government freeze on recruitment which saw these universities halt employment of new personnel.

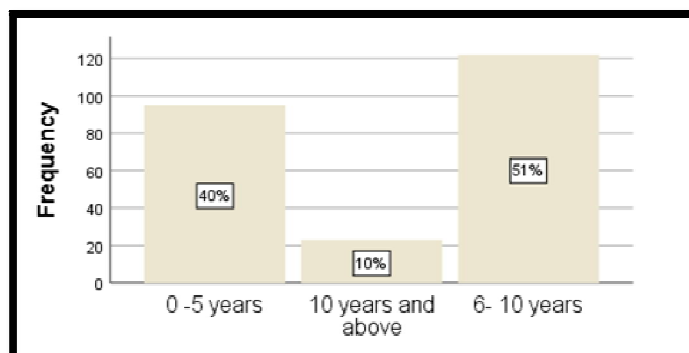


Figure 4: Length of Service

#### 4.2. Descriptive Statistics

Descriptive statistics were done on the dependent and the independent variables.

##### 4.2.1. Employee Engagement

Respondents were asked to rate Employee Engagement on a scale of 1 to 5 where 1=Strongly Agree, 2= Agree, 3= Neutral, 4= Disagree and 5 = Strongly Disagree. Mean and standard deviation were then computed for the variable as given in Table 4.5. The overall aggregate mean score for Employee Engagement was 3.532 and SD=0.736. The statement 'Employees have a sense of belonging and commitment to the organization' had the highest mean score (mean= 4.142 and SD=0.806). The statement 'Your organization shows little concern for its employees' had the lowest mean score (mean= 2.567 and SD=0.851).

The findings of this study indicated that 89% of the respondents had a sense of belonging and commitment to their organizations, while 90% also felt that they were able to fully utilize their knowledge and skills. The study also revealed that the proper delegation of duties and responsibilities was well-handled accounting to 60% agreeing to this. These findings concur with a study on the role of employee engagement in the relationship between job design and task performance by Amanda, et al, (2013) which found out that if organizations ensure that jobs provide individuals with variety, significance, autonomy and feedback then people will become more engaged at work, leading to positive performance outcome and low defiance levels. The study also revealed that most organizations strongly considered their employees' goals and values and had a lot of concern for them. This accounted for more than 80%.

While the study found out that 37% of the respondents would work with their organizations up to retirement, 38% were not sure, while 21% felt that they could not. Thus, for the organizations to be able to retain their workers and

be convinced to work for longer, there was, therefore, need to create proper mechanisms to ensure that highly experienced workers desired to stay with their organizations.

Employee Engagement	SD (%)	D (%)	N (%)	A (%)	SA (%)	Mean	Std. Deviation
[Employees have a sense of belonging and commitment to the organization.]	0	6.7	6.3	53.3	33.8	4.142	0.806
[Employees can fully utilize their knowledge and skills in the organization]	0	5	4.2	86.3	4.6	3.904	0.529
[Your organization strongly considers your goals and values]	0.8	9.2	7.5	78.8	3.8	3.754	0.704
[Your organization shows little concern for its employees]	1.3	62.1	16.7	18.8	1.3	2.567	0.851
[Your organization culture fosters a comfortable and supportive work environment]	0.8	10.8	13.8	72.5	2.1	3.642	0.735
[You can work with your organization for up to retirement]	2.9	20.8	38.8	33.3	4.2	3.150	0.898
[Management exercises delegation of authority to employees]	0.8	3.8	34.6	59.6	1.3	3.567	0.630
<i>composite</i>						3.532	0.736

Table 2: Employee Engagement

Question	Summary of the Main Themes
Other areas of employee engagement for further research	<p>Majority of the respondents suggested the following as areas of further research;</p> <ul style="list-style-type: none"> <li>• Flexible working arrangements,</li> <li>• reward and recognition,</li> <li>• Continuous training,</li> <li>• work place health and safety,</li> <li>• Work life balance.</li> </ul>

Table 3: Qualitative Analysis of Other Areas of Employee Engagement That Could Guide Further Research

#### 4.3. Inferential Analysis

Inferential analysis contained both the correlation and the regression results.

##### 4.3.1 Correlation Results

		Organizational Performance	Employee Engagement
Organizational performance	Pearson Correlation	1	.534**
	Sig. (2-tailed)		0.000
	N	240	240
Employee Engagement	Pearson Correlation	.534**	1
	Sig. (2-tailed)	0.000	
	N	240	240

Table 4: Correlation Matrix

The output indicates that the correlation between Employee engagement and organizational performance was positive and significant ( $r=.534$ ,  $p<0.05$ ).

##### 4.3.2. Regression Analysis

The  $R^2$  for the regression model between Employee Engagement, Staff Promotion, Employee Voice and organizational performance was 0.535 meaning that the joint effect of Employee Engagement, Staff Promotion and Employee Voice explain 53.5 % variation in the organizational performance, while the remaining variation is explained by the error term.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.731 <sup>a</sup>	0.535	0.529	0.18292
a. Predictors: (Constant), Employee Engagement, Staff Promotion, Employee Voice				

Table 5: Model Summary

The regression model was a good fit as indicated by a significant Fstatistic ( $F=90.415$   $p<0.05$ ).

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.076	3	3.025	90.415	.000 <sup>b</sup>
	Residual	7.897	236	0.033		
	Total	16.973	239			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Employee Engagement						

Table 6: ANOVA

The regression model obtained from the output was  $Y = 0.233 + 0.119X$

Where  $Y$  is organizational performance and  $X$  is employee engagement

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.233	0.091		2.569	0.011
	Employee Engagement	0.119	0.036	0.279	3.277	0.001
a. Dependent Variable: Organizational performance						

Table 7: Coefficients

The regression coefficient for Employee engagement was positive and significant ( $B=.119$ ,  $p<0.05$ ); this indicates that a unit increase in employee engagement would result in 11.9% increase in organizational performance.

The beta coefficients indicate the relative importance of Employee Engagement variable in influencing the dependent variable (Organizational performance).

## 5. Summary of Findings, Conclusions and Recommendations

### 5.1. Summary of Findings

The study sought to establish how employee engagement influences organizational performance in Public Universities in the Mt. Kenya Region. The study found out that correlation between employee engagement and organizational performance was positive and significant with an  $r=0.534$ . Employees having a sense of belonging and commitment to the organization directly influenced the rate at which employees worked with their organizations.

The study revealed that organizations had employees' concerns and interests at heart and therefore employees felt confident to work with the organizations for longer periods of time. This was evidenced by the length of service by employees which found out that 51% of them had worked for a period of 10 years which could be the contributing factor to low employee turnover.

Further the study carried out a qualitative analysis on other areas of employee's engagement that the respondents felt would have an impact on organizational performance. The study found out that factors such as flexible working arrangements, reward and recognition, continuous training, work place health and safety and work life balance could impact on organizational performance.

### 5.2. Conclusions

The study concluded that high work engagement and involvement practices created a sense of belonging to the employees thus leading to a high retention rate. Thus, the employees felt the need to work and focused to the role performance. Organizational supervisory support was found to make employees valued by the organizations and hence replicating the same towards organizational performance.

### 5.3. Recommendations of the Study

Since there was a positive and significant relationship between employee engagement and organizational performance, this study recommends to the management the need to strive to highly engage their employees for success by cultivating participatory supervisory support. This calls for proper delegation mechanisms which will harness employees to their full selves in active and complete work roles.

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