EFFECT OF HUMAN RESOURCE FACTORS ON EMPLOYEE PERFORMANCE IN STATE PARASTATALS: A CASE STUDY OF KENYA POWER LIMITED – MOMBASA

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ABSTRACT

The study sought to determine the influence of human resource factors on employee performance in Kenya Power Ltd Company-Mombasa and was guided by the following theories: Contingency theory, Organization culture theory, Reward attraction theory and Performance regulatory perspective theory. The study adopted a descriptive design with a target population of 126 employees based in Mombasa.96 employees were selected as the sample using Slovin formula. Stratified Random Sampling technique was used to select the respondents of the study. Both primary and secondary data was used for the study. Primary data was collected using structured questionnaires and interview guides. Primary data was analyzed using Statistical Package for Social sciences (SPSS) version 21. Inferential statistics such as regression analysis, correlations, and Analysis of Variance to show the relationship between the independent and dependent variable. Descriptive statistics such as means and standard deviation were conducted to establish relationships. The findings showed that the four independent variables have a significant effect on employee performance in Kenya Power, Mombasa. Organizational Leadership was found to have the strongest effect on employee performance. However, employee reward showed the weakest positive relationship with employee performance. The study therefore recommended that for employees to perform effectively, HR managers should ensure participatory Leadership, and come up with policies that ensure strong harmonized organizational culture, clear cut promotion channels.

Key terms: Human Resource Factors, Organizational, Employee Performance, Organizational Culture, Employee Promotion, Reward

INTRODUCTION

Human Resource factors influencing employee performance can be traced back to 1893 when pioneering economist John Commons used it in his book on Distribution of Wealth. However, he did not further on the concept and the term emerged again in 1910s and 1920s to mean that workers could be seen as a kind of capital asset (Kaufman, 2008). The modern use of the term began in 1958 and it became more developed in the 19th century due to misunderstandings between the employers and employees. Human Resource (HR) factors involves a wide range of activities that seeks to attract, motivate and retain employees based on employee performance to ensure the survival of the organization and they are designed and implemented in such a way that human capital plays a significant role in achieving the goals of the organization (Schuler & Jackson, 2007).

In America and Europe, the factors influencing HR activities aren't static and they maximize on recruitment and retention thus managers continually monitor internal and external environmental factors affecting HR such as competition, compensation, legislation and employee relations (Benjamin, 2015). The extent of competition within a company effects employee performance and the amount paid as salary or wages has direct impact on employee performance. On legislations, employers safeguard the confidentiality of employee medical information and make sure company managers operate within the confines of law. Internal policies and procedures impact on employee relation thus HR ensures employees receive appropriate training and development to be ready for promotion when the time comes. In Asia, human resource factors affecting employee performance have been grouped as Global mindset, Talent mobility, Technology and Employee engagement (Trudy, 2012). The Asian market view is that global competitiveness requires HR professionals to adapt a global view of the business that enables them to support corporate strategy on a country-by-country basis thus they need to develop policies and procedures that reflect company culture yet strike a balance between domestic and foreign operations.

Human Resource (HR) factors were introduced to Africa in 1940 during the colonial era and with industrialization and commercialization it later became wage employment (Azolukwam & Perkins, 2009).

Ever since then, there has been a tremendous growth of HR in Africa which in recent years has been characterized by lack of professionalism and specialization. The socio-cultural diversity in many African countries has influenced the HR factors and that democracy has enhanced the practice of HR such as determining the quota of expatriates it permits. Several factors that have affected HR in Africa include lack of internal manpower to complete all necessary tasks and the complexity of today's business climate as a result of deregulation, globalization, and technology (Fajana, 2009). The African population and human resource base make it one of the most attractive continent for foreign investment. As foreign and local firms increase their involvement in Africa, they have build capabilities and have utilized local competencies. The knowledge of human resource management and more importantly perhaps, knowledge of the factors that impact on HRM in Africa has become increasingly critical to the way businesses are done in the Continent.

HR factors were first discussed in Kenya towards Independence due to spillover effects of Industrial revolution in Europe. The concept was not employee oriented but was aimed at befitting the colonial masters from the pool of Kenyan population that was getting skilled labor from colonial masters. This led to the formation of government parastatals in 1964 by the Kenyan government due to lack of management skills and little business experience by the existing private firms. The concept further evolved overtime and currently, government parastatals have been formed in all sectors of the Kenyan economy such

as trade, tourism, water and education, among others.

Employee performance can be defined as the job related activities expected of a worker and how well those activities are executed, many business personnel directors assess the employee performance of each staff member on an annual or quarterly basis in order to help them identify suggested areas for improvement (Lyndsey, 2017). The principal component of an organization is its human resources. Human resources have been defined as from national point of view as the knowledge, skills, creative abilities, talents and aptitudes obtained in the population whereas from the individual point of view they represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitudes of its employees (Lyndsey, 2017). It is this human resource which is of paramount importance in the success of any organization because most of the problems in organizational settings are human and social rather than physical, technical or economic (Appiah, 2010).

According to some researchers and practitioners, there are certain factors individually and collectively that affect the performance of employees in a positive or negative way. Northouse (2007) notes that these factors may include leadership style (the combination of attitude and behavior of a leader which leads to certain patterns in dealing with the followers), coaching, empowerment, participation and organization culture.

Kenya Power started in 1875 when the Sultan of Zanzibar acquired a generator to light his palace and nearby streets leading to the formation of the Mombasa Electric Power and Lighting Company whose mandate was to provide electricity to the island but it later expanded to supply Nairobi city with electricity that led to the formation of the Nairobi Power and Lighting Syndicate (Kenya Power Ltd Company, 2015).

Kenya Power currently owns and operates most of the electricity transmission and distribution system in the country and sells electricity to over 4.8 million customers. It has over 7,000 employees that are recruited with aim of retaining highly motivated professional staff in order to meet its corporate goals (Kenya Power Ltd Company, 2017). The Company's great importance is attached to ensuring that employees have requisite competencies to perform their work and also to realize their potential through regular staff training and development programs. On-the-job training is the foundation upon which all other training depends and that experienced employees play a big role in training their colleagues. The Company's key mandate is to plan for sufficient electricity generation and transmission capacity to meet demand; building and maintaining the power distribution and transmission network and retailing of electricity to its customers. The company has four main divisions that include Legal and Corporate affairs, Human resource and Administration, Finance and Information and Communication technology (Kenya Power Ltd Company, 2017). Each department is under a manager, the departments are further broken down into sub departments to ease efficiency.

Just like any other business in Kenya, Kenya Power continues to face HR related challenges in today's dynamic marketplace. This has been accelerated by challenges resulting from the implementation of economic reforms by the government, the liberalization of the economy, discontinuation of price controls, privatization and partial commercialization of the public sector, increased competition, increased customer expectations, rise of globalization and technological advancements, economic crisis and increased demand for retaining employees and quality services. Like all other government parastatals, Kenya Power is mandated to improve the quality of life to Kenyans with regard to Vision 2030, which is built on social, political and

economic pillars (Republic of Kenya, 2013). Kenya's economy has been growing at approximately 5.1% per year over the last 10 years; however, economic gro wth is constrained by an insufficient supply of electricity(Government of Kenya, 2013). As of the end of March 2015, Kenya has an installed generation capaci ty of only 2,295 MW or 0.049kW per capita. Although this has grown from an installed cap acity base of 1,885 MW as of the end of June 2014, it is still very low (Kenya Power Ltd Company, 2017). Kenya Power Ltd Company goals seeks to assist Kenya achieve its millennial development goals through adoption of strategies that addresses the power challenges faced by Kenyans. As such, there is dire need to address these challenges from the HR point of view since most of the MDG's had not been achieved by 2016.

Effective HR management will consider HR factors that influence employee performance as such factors form integral part of employees well-being in a given organization or industry (Mutsostso & Wanyama 2010). Each organization operates under influence of both internal and external environment, the internal environment is controllable thus HR managers can contain comfortably HR issues arising within the company appropriately and timely thus resulting to increased productivity as the employees grievances are timely handled. External HR environment factors are non-controllable and cuts across the industry, the organization take it, assimilate and them find the appropriate response that will anchor well with the employees so that their performance is not negatively affected. Poor handling of HR factors resulting from both External and internal environment will lead to high rate of staff turnover which has a significant economic impact on organizations especially because of the knowledge that is lost with the employees' departure. Kenya Power Ltd Company is among the top largest parastatal in

Kenya with huge tangible and intangible resources. With this wealth of resources and government support the parastatal is expected to meet its monthly and annual goals with precision but that has not been the case.

Human resource management presents significant challenges to Kenya Power in terms of competencies, numbers of staff, mismatches, culture, values, attitudes, behaviors, motivation, staff development, productivity, staff development policies, procedures and practices due to poor employee handling (Hilbert, 2008). Kenya Power Ltd Company is also faced with issues of productivity and efficiency in operation as most the operational staff working out of office fails to perform their duties leading to power outage in many parts of the country (Hilbert, 2008). Poor employee handling has led to its top qualified employees leave the company in search of greener pastures, this is reflected by frequent power outage that sometimes covers that whole country thus putting public and businesses into a risk. A taskforce on parastatal reforms in Kenya in 2011/2012 established that Kenya Power Ltd Company made losses which are attributed to poor performance management, poor governance, lack of clear policies, ineffective leadership and legal challenges (Government of Kenya, 2013).

Hilbert (2008) noted that culture change at Kenya Power Ltd Company takes long to percolate to all levels due to the large number of employees at Kenya Power. The organizational structure is also tall with many levels of reporting, communication channels are inefficient and the members of staff are not adequately prepared on change management as well as project management leading to high levels of inefficiency and working morale.

Research Hypotheses

H01: Organizational leadership has no significant effect employee performance in Kenya Power Ltd, Mombasa.

H02: Organization culture has no significant effect employee performance in Kenya Power Ltd, Mombasa.

H03: Employee reward has no significant effect on employee performance in Kenya Power ad Lighting, Mombasa.

H04: Employee promotion has no significant effect on employee performance in Kenya Power Ltd, Mombasa.

RELATED LITERATURE

Theoretical Framework
Contingency Theory

The contingency approach to leadership was influenced by two earlier research programs endeavoring to pinpoint effective leadership behavior, it came about as a result of administration of extensive questionnaires at Ohio University that sought to measure a range of possible leader behaviors in various organizational contexts (Jeong & Fadzlina, 2012). From the findings, two sets of leadership behaviors were identified that proved to be typical of effective leaders, first is a considerate leader whose behavior include building good support and interpersonal relationships and showing support and concern for subordinates while second was initiating structure leader whose behavior provided structure (e.g., role assignment, planning, scheduling) to ensure task completion and goal attainment (Morgan, 2007). The theory assumes that the best leaders are proactive, they take initiative to find and solve problems and they don't wait to be told what they need to change in their behavior but instead, they take initiative by taking charge of their own learning and understanding their subordinate's needs on what they need for maximum output (James & Barry, 2013). They are self-aware and they seek feedback, they know their strengths and areas for improvement and they know what needs to be done, they seek the developmental opportunities they need and if the resources aren't available from the organization, they find a way to gain the experience (James & Barry, 2013).

Contingency theory appreciates that integrity is one of the top attributes of a great leader and its manifested in consistency of actions, values, methods, measures, principles, expectations and outcomes all aimed at increasing the organization performance through subordinates (Michael, 2012). Integrity desires a deep commitment to do the right thing for the right reason, regardless of the circumstances and people who live with integrity are incorruptible and incapable of breaking the trust of those who have confided in them (Seyranian, 2012). Contingency theory recognizes and appreciates stability leadership as an unromantic, down to Earth attempt at explaining and grasping the core of what makes an organization special and valuable in terms of the organization output and overall employee performance (Qin & Yu, 2015). Stability leadership is the opposite of self-indulgence and conservatisms and above all, stability leadership requires an acceptance of the fact that there is no finished organization but it requires continuous capability to organize it in a changing world (Qin & Yu, 2015).

Organization Culture Theory

Organizational Culture Theory was articulated by Pacanowsky and O'Donnell-Trujillo in 1980s and views organizational life as too unique because organizational cultures differ because the interactions within those cultures differ thus generalizing about life in organizations is nearly impossible (Richard & Lynn, 2017). Organizational Culture theory relies heavily on the shared meaning among organizational members and that culture is rich and diverse and listening to the communicative performances of organizational members is where understanding of organization culture begins (Richard & Lynn, 2017). The

theoretical principles of the theory emphasize that organizational life is complex and that leaders must take into consideration not only the members of the organization but their behaviors and activities (Richard & Lynn, 2017).

The theory assumes that organization culture includes its core values which are the core of an organization's being, they help to distinguish an organization from others, they underpin policies, objectives, procedures and strategies because they provide an anchor and a reference point for all things that happen thus values should be stated explicitly and unambiguously and be feasible so that they provide guidance and motivation for people's actions in all of the organization's activities(Brifigroup, 2015). The theory notes that organization culture develops and enhances communication climate which is a network of personal relationships within the organization aimed at fostering open and healthy employee relations both among each other and with management thus enabling workers and managers to trust and respect each other thereby creating an effective cooperative framework that allows leaders to implement organizational strategies efficiently and effectively (Stan, 2017).

The theory in assumes that organization is made up of formal and informal groups which make part of social groups, the group has a structure that involves the emergence or regularities, norms, roles and relations that form within a group over time and roles involve the expected performance and conduct of people within the group depending on their status or position within the group (Platow, 2011). The social group develop norms which are the ideas adopted by the group pertaining to acceptable and unacceptable conduct by members (Forsyth, 2010). Moreover social groups forms group structure which is a very important part of a group an if people fail to meet their expectations within to groups, and fulfill their roles, they may not accept the group, or be accepted by other group members thus social group is a very element to manage to enhance employee performance (Platow, 2011).

Reward Theory of Attraction

The theory was developed by Elder, Van Nguyen, and Caspi (1985) and it states that people like those whose behavior is rewarding to them or whom they associate with rewarding events, this means people are attracted to those who in some way make them feel good or are attracted to those who remind them of people that they enjoy being around thus if a relationship gives us more reward and pleasure than cost and pain, the relationship is likely to continue (Myers, 2010). The theory is very critical to employees as they see their leaders as source of satisfaction or dissatisfaction based on the leaders character, behavior and how the leaders handles the instruments of reward (Dixit, 2010).The theory encourages organizations to use recognition policy in their organization which is based on the recognition that in the course of meeting organizational objectives, the duties and functions (an employee may change in complexity and responsibility (Chen, 2009). thus employee recognitions are based on status change that involve increasing responsibility levels and the benefits of recognition serve as an incentive for better work performance, enhanced morale and creation of a sense of individual achievement and recognition (Chen, 2009).

The theory suggests that career routes be followed for different posts which should be clearly mentioned and every career post should have a different route. For instance, an accounts clerk may be promoted as assistant accountant. All employees in the organization should be given full information of the career routes which serves as a motivation to work harder to achieve the promotion (Smriti, 2016). Rewards theory encourages employee specialization and establishment of responsibility centers through promotion of Autonomy to enhance performance. Autonomy in the Kenya Power Ltd Company refers to how much freedom employees have while working and for some organizations. Autonomy means employees are allowed to set

their own schedules while in others autonomy means employees can decide how their work should be done, no matter which concept is being applied, higher levels of autonomy tend to result in an increase in job satisfaction (Tanya, 2017).

Performance Regulatory Perspective theory

The theory was developed by Campbell in 1990; performance regulation perspective takes a different look at individual performance and is less interested in person or situational predictors of performance. Rather, this perspective focuses on the performance process itself and conceptualizes it as action process. Typical examples for the performance regulation perspective include the action theory approach of performance which focus on regulatory forces within the individual (Frese, 2010). Expert research main goals is to identify what distinguishes individuals at different performance levels, more specifically, expertise research focuses on process characteristics of the task accomplishment process (Ericsson, 2006). The difference between high and moderate performers according to crucial findings within this field is that high performers differ from moderate performers in the way they approach their tasks and how they arrive at solutions (Sonnentag, 2000). He argues that during problem comprehension, high performers focus on abstract and general information, they proceed from general to specific information, and apply a relational strategy in which they combine and integrate various aspects of the task and the solution process, moreover, high performers focus more on long-range goals and show more planning in complex and ill-structured tasks, but not in well-structured tasks (Sonnentag, 2000). The action theory approach describes the performance process as any other action from both a process and a structural point of view, it focuses on the sequential aspects of an action, while the structural point of view refers to its hierarchical organization and that from the

process point of view, goal development, information search, planning, execution of the action and its monitoring, and feedback processing can be distinguished (Frese, 2010). Performance depends on high goals, a good mental model, detailed planning, and good feedback processes (Sonnentag, 2000). A study in the domain of software design showed that excellent and moderate performers differed with respect to problem comprehension, planning, feedback processing, and task focus (Sonnentag, 2008).

Conceptual Framework

Independent Variable   Dependent Variable

Figure 1: Conceptual framework of the study

Organization Leadership

Leadership is a process by which an executive can direct, guide and influence the behavior and work of others toward the accomplishment of specific goals in a given situation, it's the ability of a manager to induce the subordinates to work with

confidence and zeal(Joshua, 2013). In past years, leadership has engaged as a new effective approach for managing the employees and organization at large. leadership is increasingly understood to involve persuasion and explanation as well as ability to identify, affirm, and renew the values of the group the leader represents (Daniel, 2012). Managerial expertise, technical skills, cultural literacy and other relevant knowledge and skills are not sufficient virtues for the leaders whose lives will be dedicated to public services. An effective leader has a responsibility to provide guidance and share the knowledge to the employee to lead them for better performance and make them expert for maintaining the quality (Daniel, 2012).

A motivated workforce is crucial for the success of an organization and that increasing employee performance is a key ingredient to a successful organization thus effective leader should therefore be able to motivate their subordinates (Joshua, 2013). Empowerment is an important element that leaders can utilize to increase employee performance in organizations, it refers to individuals' self-motivating mechanisms and consists of meaning, competency and self-determination (Adair, 2012). Ethical leaders are leaders with right values and strong character that set examples for others and withstand temptations, Ethical leadership behavior has been found promote employee attitudes and behaviors and increase task significance, resulting in improved employee performance (Adair, 2012). A business and its employees are a reflection of leadership thus if the leadership is honest and ethical, then the subordinate staff will follow suit thus increasing organization value hence improved employee performance (Tanya, 2012). Tanya (2012) notes the following about a good leader: A good leader delegates tasks to the appropriate departments and individuals, a key to delegation is identifying the strengths of the staff and capitalizing on them; A leader clearly and succinctly describe to subordinates what is to be done as extremely important, they relate their

vision to the team and engages in training new members and creating a productive work environment that all depend on healthy lines of communication; A leader puts out fires and maintain the team morale by confidence level and assuring everyone that setbacks are natural and the important thing is to focus on the larger goal, by staying calm and confident, a leader help keep the team feeling the same; any leader expecting the subordinates to work hard and produce quality content they must lead by example. By a leader proving commitment to the brand and their role, they will not only earn the respect of their team, but will also instill that same hardworking energy among your staff thus improving their performance (Tanya, 2012). Although each employee have their own preferred leadership style, the most effective leaders adopt a style which appropriate for the situation.

Different situations require different leadership styles, for instance when there is little time to coverage on an agreement and quick work is required and where a designated authority has significantly more experience or expertise than the rest of the team, an autocratic leadership style may be most effective, however, in a highly motivated and aligned team with a homogeneous level of expertise, a more participative and democratic style may be more effective (Adair, 2012). The style should be one that most effectively meets the objectives of the team while balancing the interest of its followers and team members of that group.

Integrity is one of the top attributes of a great leader and its characterized by consistency of actions, values, methods, measures, principles, expectations and outcomes, it connotes a deep commitment to do the right thing for the right reason, regardless of the circumstances and that people who live with integrity are incorruptible and incapable of breaking the trust of those who have confided in them (Michael, 2012). To succeed as a manager one must live with integrity, it's crucial for a managers to build trust

with the teams they work with and depend on as this trust will grows through meaningful interaction with their teams thus increasing the confidence others have in their work thereby increasing their productivity hence their performance (Michael, 2012).

A great leader is one who does not wait to be told what to do but rather he finds what needs to be done and does it(James & Barry, 2013). A great leader understands that he must fight to keep himself from being controlled by fear and doubt, the theory assumes that the best leaders are proactive and initiative to find and solve problems, they don't wait to be told what they need to change in their behavior but instead they take initiative by taking charge of their own learning and understanding their subordinate's needs on what they need for maximum output (James & Barry, 2013). They're self-aware and they seek feedback, they know their strengths and areas for improvement and they know what needs to be done, they seek the developmental opportunities they need and if the resources aren't available from the organization, they find a way to gain the experience (James & Barry, 2013).

Organizational Culture

Today's organizational are predominantly dynamic that pose enormous opportunities and challenges to the corporate practitioners and policy makers thus understanding such dynamism is very crucial to pursue the organizational strategic objectives (Bonface, 2012). Some researchers claim that organizational culture could be used in measuring economic performance of an organization, however, organizational excellences could be varied since cultural traits differ from organization to organization and certain cultural traits could be source of competitive advantages through causal ambiguity (Magee, 2010). Organizational culture defines the way employees complete tasks and interact with each other in an organization, the cultural paradigm comprises various beliefs, values, rituals and symbols that govern the operating style of the people within a company (Bonface, 2012).

A good organization culture is one that; ensures employees efforts are appreciated by the management and suitably rewarded, ensures employees get immerse job satisfaction, ensures employees are committed to achieving their goals and thus have a positive effect on the overall performance of the organization, ensures managers are not facilitators but taskmasters and ensures employees live without fear and distrust of work (Julie, 2016). Organizational culture to a large extent determines the performance of the employees. Organizations must structure their recruitment processes to attract and engage incumbents with the same beliefs and values that constitute the organization's culture as this ensures the new employee's assimilation to the company and further strengthens corporate culture (Tanya, 2012). Companies should also ensure that they align corporate culture with performance management systems because when culture and management systems are not aligned, management must redirect them so that employee behavior results in the achievement of organizational goals (Tanya, 2012).

Organization culture has been known greatly to include its core values as they help to distinguish an organization from others, underpin policies, objectives, procedures and strategies because they provide a reference point for all things that happen within the organization thus organization values are stated explicitly and unambiguously and are feasible so that they provide guidance and motivation for people's actions in all of the organization's activities (Brifigroup, 2015). Organizational values provide a framework with respect to the behavior of employees in their work. For instance an organization with values where employees are considered an integral part of the growth process of the organization fosters employee commitment towards the organization, they align their goals and objectives with those of the organization and feel responsible for the

overall well-being of the organization (Bonface, 2012).

A good organization culture develops and enhances communication climate which is a network of personal relationships within the organization aimed at fostering open and healthy employee relations both among each other and with management thus enabling workers and managers to trust and respect each other thereby creating an effective cooperative framework that allows leaders to implement organizational strategies efficiently and effectively (Stan, 2017). Company communication binds the workforce together and provides a direction for the company, it can have varying impacts on employee performance and motivation level and more often employees work harder to achieve organizational goals if they consider themselves to be part of recognized communication channel (Abbasi & Hollman, 2008). Failure to involve employees in setting up the organization goals through the company structured communication channels will lead to failure by the employees to commit themselves into achieving those goals and may end up having employees working in silos or working towards undermining the efforts of the other departments which is detrimental to the overall health of the organization, a reflection of collapsed communication policy within the organization (Arindam, 2011).

Organization is made up of people and people within the organizations belongs at the same time to formal and informal groups which make part of social groups, the social groups have a very powerful influence to its members and have a structure that involves the emergence or regularities, norms, roles and relations that form within a group over time and roles involve the expected performance and conduct of people within the group depending on their status or position within the group (Platow, 2011). The social group develop norms which are the ideas adopted by the group pertaining to acceptable and unacceptable conduct by members (Forsyth,

2010). The group norms may be in harmony with the company norms in which case it will enhance the company performance, however the group norms which are against the company norms will negatively affect the group productivity hence the overall organization performance. Moreover social groups forms group structure which is a very important part of a group and if people fail to meet their expectations within to groups and fulfill their roles, they may not accept the group or be accepted by other group members thus social group is a very element to manage to enhance employee performance (Platow, 2011).

Employee reward

Employee reward systems refer to programs set up by a company to reward performance and motivate employees on individual and/or group levels, they are normally considered separate from salary but may be monetary in nature or otherwise have a cost to the company (Parker, 2010). Reward management system is concerned with the formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently in accordance with their value to the organization, it deals with the design, implementation and maintenance of reward processes and practices that are geared to the improvement of organizational, team and individual performance (Armstrong, 2008). Reward Management system involves designing, implementing and maintaining pay systems which help to improve organizational performance, it's the process of developing and implementing strategies, policies and systems which help the organization to achieve its objectives by obtaining and keeping the people it needs and by increasing their motivation and commitment thus the reward management system should be designed to support the achievement of the organization's strategies and it should be based on a philosophy of reward which matches the culture of the organization((Armstrong & Murlis, 2007).

Consequently, reward management in this regard is concerned with the formulation and

implementation of strategies and policies the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals (Baruch & Holtom, 2008). It deals with the design, implementation and maintenance of reward systems, reward processes, practices and procedures that aim to meet the needs of both the organization and its stakeholders (Baruch & Holtom, 2008). Reward management system is concerned with the development of appropriate organizational cultures, underpinning core values and increasing the motivation and commitment of employee's practices which are effective when they are introduced and may degenerate as the organization evolves or it degenerates (Armstrong, 2008). A properly administered system of rewards can provide incentive for quality workmanship and staff performance. Likewise a poorly administered reward system can lead to low morale, unproductive performance, and even lead to a high percentage of staff turnover thus a reward system is successful when the staff interprets its policies as even handed, consistent, and relevant (Van, 2008).

Organizations use employee recognition policy as a reward system, it entails appreciating the employee for current output either by monetary rewards or non-monetary reward and recognition that in the course of meeting organizational objectives, the duties and functions of an employee may change in complexity and responsibility thus employee recognitions are based on status changes that involve increasing responsibility levels and the benefits of recognition serve as an incentive for better work performance, enhanced morale and creation of a sense of individual achievement and recognition (Chen, 2009). Although employee recognition programs are often combined with reward programs they retain a different purpose altogether as they are intended to provide a psychological rewards and financial benefit (Parker, 2010).Organizations provide rewards to

their personnel in order to try to motivate their performance and encourage their loyalty and retention (Karnes, 2009)

Career routes that bring about career growth are crucial for employee productivity, it should be clearly mentioned and every career post should have a different route based on organization career growth policy. For instance, an accounts clerk may be promoted as assistant accountant. All employees in the organization should be given full information of the career routes which will serves as a motivation to work harder to achieve the promotion (Smriti, 2016). Thompson (2002) suggested that total reward system typically encompasses not only traditional, quantifiable elements like salary, variable pay and benefits but also intangible non-cash elements such as scope to achieve and exercise responsibility, career opportunities, learning and development, the intrinsic motivation provided by work itself and the quality of working life provided by the organization.

Effective reward management system is based on a well-articulated philosophy ie a set of beliefs and guiding principles that are consistent with the values of the organization and help to enact them (Van, 2008). Reward management adopts a total reward approach which emphasizes the importance of considering all reward aspects as coherent whole and each of the elements of total reward namely base pay, pay contingent on performance, competence or contribution, employee benefits and non-financial rewards which include intrinsic rewards from the employment environment and the work itself (Van, 2008). Employee Autonomy is considered one of the most important values in employee growth as it encourages employee specialization and establishment of responsibility centers through promotion of Autonomy to enhance performance. Autonomy in the Kenya Power Ltd Company refers to how much freedom employees have while working and for some organizations, autonomy means employees are allowed to set their own schedules while in others autonomy

means employees can decide how their work should be done, no matter which concept is being applied, higher levels of autonomy tend to result in an increase in job satisfaction (Tanya, 2017).

Employee promotion

Promotion refers to advancement of an employee to a higher post carrying greater responsibilities, higher status and better salary (Gupta, 2011). It's the upward movement of an employee in the organization's hierarchy to another job commanding greater higher authority, higher status and better working conditions and it's used to reward employees for better performance and to motivate them for current and future greater effort (Gupta, 2011). A promotion policy statement is therefore a guideline for an opportunity provided by the organization towards its employees and normally only those who achieved the standard set by the organization may be promoted (Kosteas, 2009). It is an important aspect of a worker's career and life, affecting other facets of the work experience including workers' labor mobility that results in the wage increases (Kosteas, 2009).The employee promotion policy is always associated with an increase in workload and responsibility and it could have a significant impact on other job characteristics such as responsibilities and subsequent job attachment (Cherotich, 2012). The promotion policy should be tailored in a way that it will provide an effective mechanism for eliciting greater effort from workers by employees placing significant value on the promotion itself, workers may value promotions because they carry an increase in job amenities such as a bigger office or spending account or because they enjoy the acknowledgement of work well done and the ego boost that comes with a promotion (Kosteas, 2009).

Several scholars have noted that managing people promotion route is more difficult than managing technology or capital, however those firms that have learnt how to manage their human resources promotion routes well would have an edge over others for a long time to come because planning, acquiring and deploying human resources effectively is cumbersome and takes much longer (Kosteas, 2009). The effective management of the human resource promotion route requires sound HRM practices and these practices have been defined as distinctive approaches to employment management which seeks to plan and obtain competitive advantage through the deployment of a highly committed and skilled workforce using an array of techniques (Rupia, 2012). Performance of any organization largely depends on the performance of its employees; employee within the promotion route will deliver more than an employee unaware of the available promotion route. Successful organizations are increasingly realizing that there are number of factors that contribute to performance but human resource element of promotion route is clearly the most critical (Teseema & Soeters, 2006).

Performance appraisal plays very important role in actualization of promotion, its carried out to evaluate performance of employees for purpose of promotion in an organization and its one of the major purposes of employing human resource practices (Cherotich, 2012). In the competitive environment of modern era organizations are persistently improving performance of their employees by improving human resource appraisal practices and among the various approaches that organizations use to bring about employee motivation is a scientific way of performing employee appraisal to bring about actual promotion (Cherotich, 2012). Promotion when backed by the correct appraisal method can be viewed as a reward for what an employee has contributed to the organization and owing to the merit an employee has to the organization, promotion might be a necessity in order to retain that particular employee thus appraisal process that bring about the promotion is very critical (Mondy & Noe, 2005). Appraisal for promotion enhances the view of promotion from mere means of rewarding employees to means towards

placement of employees in positions they fit. In this view, promotion touches not only the welfare of the employee but also that of an organization (employer), therefore, Promotion of employees in organizations should be carefully implemented by following specific policies and procedures because promotion can turn out to be a setback to the employees' performance (Teseema & Soeters, 2006).

Employee performance

Employee Performance is the ability of an employee to accomplish his or mission based on the expectations of an organization and depending on the nature of work an employee performs his or her performance can be determined in various ways (Orine, 2010). Employee Job performance assesses whether a person performs a job well, its part of industrial and organizational psychology and also forms a part of human resources management (Orine, 2010).

Employee efficiency can be measured by input output ration, it's an important criterion for evaluating employee outcomes and success as it looks back statistically at an employee's performance over the past years and matched with current performance to identify a trend that aids in setting new plans and goals for the year ahead (Kacmar at el, 2009). The measure of efficiency can be between a manager and an employee, however, some businesses may broaden it to include other stakeholders such as the superiors, peers, subordinates, and even outside parties such as customers and vendors (Human Capital Management, 2015). A broader employee efficiency review process can uncover areas for improvement that the manager and employee had not identified thus it's important to provide guidelines for the process to ensure a fair and accurate process (Human Capital Management, 2015).

Quantity of output can be defined as the number of units produced, processed or sold which is a simple and objective indicator of performance (George, 2015). Employee quantity of output can give important insights on his/her performance. Understanding about what is to be achieved at an organization level and aligning it to the organizational objectives with the employees' agreed measures, skills, competency requirements, development plans leads to employee improvement, learning and development that aid in achieving overall business strategy and creates a high performance workforce (Kacmar at el, 2009). There are countless ways to measure quantity of employee out, but it's not always abundantly clear which is best thus in most cases, there's not one singular 'best' measure of employee quantity and the best measurement is often a collection of measures tailored to a team and even individual employees (George, 2015).

The common element of the business definitions of quality is that the quality of a product or service refers to the perception of the degree to which the product or service meets the management and customer's expectations (Elias, 2017). Quality of output is also linked to productivity as it can be established by considering the number of tasks performed in a given time period and whether the service delivered measured up to company or customer standards or whether performance deadlines were met (Elias, 2017). It can also involve determining the time an average worker needs to generate a given level of production (Jossey, 2013). Poor quality output can be as result of; poor planning or scheduling of work, unclear or untimely instructions to employees, An inability to adjust staff size and duties during light or heavy work load periods, poor coordination of material flow, the unavailability of needed tools and excess travel time(Jossey, 2013).

METHODOLOGY

The study adopted a descriptive design because according to Cooper and Schindler (2001), it is concerned with finding out the 'who' the 'what'

the 'where' and the 'how, of a phenomenon which is the concern of the study. A multiple regression model was used to establish relationship between the independent and dependent variable.

The model was in the inform of:

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_3X_4+\varepsilon$$

Where;

β_0 - Is the constant or intercept

β_{1-3} Are the regression coefficients or change induced in Y by each X

X1 - Independent variable Leadership on Employee performance.

X2 - Independent variable Organization Culture on Employee performance.

X3 - Independent variable Employee Reward on Employee performance

X4 - Independent variable Employee Promotion on Employee performance

Y - Dependent variable Employee performance.

ε - Is the error component

RESEARCH FINDINGS

Effect of organizational leadership on employee performance of Kenya Power Ltd, Mombasa

Table 1: Mean and Standard Deviation on organizational leadership

Statement	Mean	Std. Deviation
Whether Management is consistent in its actions and values	3.86	0.966
Whether Management is committed to do right think for right reasons	3.32	1.187
Whether Management has built a strong trust with the teams they work with	4.18	1.044
Whether Management is problem solving oriented	3.78	1.068
Whether Management responds to problems on time	3.86	1.014
Whether Management is self-aware/seek feedback from their teams	3.26	1.176
Whether Management leadership style is determined by situation at hand	4.14	1.074
Whether Management style takes into consideration employee grievances	3.77	1.072
Whether Management disciplinary action is procedural	3.78	1.068

From the table, respondents were required to answer Leadership related question. In relation to the statement on whether Management is consistent in its actions and values, respondents were in agreement as indicated by a mean of 3.86. In relation to whether Management is committed to do right think for right reasons, respondents were in agreement as indicated by a mean of 3.32.In relation to whether Management has built a strong trust with the teams they work with, the respondents were in agreement as indicated by a mean of 4.18. In relation to the statement on whether Management is problem solving oriented, the respondents were in agreement as indicated by a mean of 3.78. In relation to the statement on whether Management responds to problems on time, the respondents were in agreement as indicated by a mean of 3.86. In relation to the statement on whether Management is self-aware/seek feedback from their teams, the respondents were in agreement as indicated by a mean of 3.26. In relation to the statement on whether Management leadership style is determined by situation at hand, the respondents were in agreement as indicated by a mean of 4.14. In relation to the statement on whether Management style takes into consideration employee grievances, the respondents were in agreement as indicated by a mean of 3.77. In relation to the statement on whether Management disciplinary action is procedural, the respondents were in agreement as indicated by a mean of 3.78. The standard deviation of the items

was not the same indicating a dispersion of opinions. The overall mean for Organizational leadership was 3.8 (M = 3.8). These find concur with Joshua (2013) who did research on the role of leadership in employee performance and found out that a motivated workforce is crucial for the success of an organization and that increasing employee performance is a key ingredient to a successful organization thus effective leader should be able to motivate their subordinates.

Effect of Organizational culture on employee performance of Kenya Power Ltd, Mombasa

Table 2: Mean and Standard Deviation on Organization Culture

Statement	Mean	Std. Deviation
Organization values sets out the employees expected behavior	3.77	.996
Organization values underpin policies/objectives/procedures of the organization.	3.18	1.158
Employees are involved in understanding and upholding of the core values	4.18	1.044
Communication aims to foster open/healthy employee relations with management	3.74	1.079
Communication binds workforce together and provides a direction for the company	3.86	1.014
Employees are involved in developing a structured communication	3.38	1.246
Organization recognizes and appreciates the informal and formal social groups	4.14	1.074
Social groups develop their own rules without compromising the company rules.	3.31	1.145
Management views Social groups as important segment for enhancing performance	3.78	1.068

From table 2, respondents were required to answer Culture related question. In relation to the statement on whether Organization values sets out the employees expected behavior, respondents were in agreement as indicated by a mean of 3.77. In relation to whether Organization values underpin policies/objectives/procedures of the organization, respondents were in agreement as indicated by a mean of 3.18.In relation to whether Employees are involved in understanding and upholding of the core values, the respondents were in agreement as indicated by a mean of 4.18. In relation to the statement on whether Communication aims to foster open/healthy employee relations with management, the respondents were in agreement as indicated by a mean of 3.74. In relation to the statement on whether Communication binds workforce together and provides a direction for the company, the respondents were in agreement as indicated by a mean of 3.86. In relation to the statement on Employees are involved in developing a structured communication, the respondents were in agreement as indicated by a mean of 3.38. In relation to the statement on whether Organization recognizes and appreciates the informal and formal social groups, the respondents were in agreement as indicated by a mean of 4.14. In relation to the statement on whether Management style takes into consideration employee grievances, the respondents were in agreement as indicated by a mean of 3.31. Management views Social groups as important segment for enhancing performance, the respondents were in agreement as indicated by a mean of 3.78. The standard deviation of the items was not the same indicating a dispersion of opinions. The overall mean for Organizational Culture was 3.7 (M = 3.7). The finding concur with Arindam (2011) who studied the effects of

organization culture on employee performance and found that though organization culture has direct impact on employee output, it's the individual employee culture that play most crucial role in enhancing employee output. The study finding are also in harmony with Julie (2016) findings on impact of organizational culture on employee performance, she found that the culture adapted by the organization has direct impact on employee performance even outside workplace.

Effect of Employee Reward on Employee Performance of Kenya Power Ltd, Mombasa

Table 3: Mean and Standard Deviation on Employee Reward

Statement	Mean	Std. Deviation
Company recognition policy is unbiased and it's a reward for good performance	4.34	.713
Recognition enhances morale and creation of a sense of individual achievement	3.72	1.008
Recognition aims to motivate and encourage employees performance/loyalty	3.89	.753
Management encourages individual employee responsibility for his/her action	4.12	1.341
Management encourages employee freedom in their work	4.12	.839
Employees are encouraged to plan/execute work with no/minimal interference	3.92	.816
Understanding of career growth enhances employee productivity	3.40	1.344
Every career post has a different route based on organization career policy.	3.85	1.121
All employees have full information of their career routes.	3.65	1.419

From table 3, respondents were in agreement with the statements; Company recognition policy is unbiased and it's a reward for good performance, Recognition enhances morale and creation of a sense of individual achievement, Recognition aims to motivate and encourage employees performance/loyalty, Management encourages individual employee responsibility for his/her action, Management encourages employee freedom in their work, Employees are encouraged to plan/execute work with no/minimal interference, Understanding of career growth enhances employee productivity, Every career post has a different route based on organization career policy and that all employees have full information of their career routes. This is supported by their respective means of 4.34, 3.72, 3.89, 4.12, 4.12, 3.92, 3.40, 3.85 and 3.65. Respondents opinion in relation to statement; Company recognition policy is unbiased and it's a reward for good performance, Recognition aims to motivate and encourage employees performance/loyalty, Management encourages employee freedom in their work, Employees are encouraged to plan/execute work with no/minimal interference were not highly dispersed as indicated by standard deviations of 0.713, 0.753, 0.839 and 0.816. The statement; Recognition enhances morale and creates a sense of individual achievement, Management encourages individual employee responsibility for his/her action, Understanding of career growth enhances employee productivity, Every career post has a different route based on organization career policy and that all employees have full information of their career routes were highly dispersed as indicated by a standard deviation of 1.008, 1.341, 1.344, 1.121 and 1.419. With an overall mean of 3.9 (M = 3.9), the study finding concur with other major finding on the variable. For instance Cherotich (2012) found out the effect of Reward on Job satisfaction among Employees of Banks within Nakuru Municipality was essential to employee better performance, she found that most Bank employees deviate slightly from employees in other sectors in terms of degree of financial motivation because of the nature of the industry they are in. Moreover, Armstrong & Murlis (2007) in their study on reward management, a handbook of

remuneration strategy and practice found that proper reward policy management enhances employee motivation to work that is reflected on increased output.

Effect of effect of employee promotion on employee performance of Kenya Power Ltd, Mombasa

Table 4: Mean and Standard Deviation on Employee Promotion

Statement	Mean	Std. Deviation
All employees have promotion policy statement	3.17	1.145
Promotion policy aims to encourage hard work/efficiency that leads to wage increase.	3.06	1.200
Promotion policy is always associated with an increase in workload/responsibility	4.15	1.299
Promotion route is anchored in HR practices	4.98	.816
Promotion route serves as source of motivation for employees	3.25	1.199
Promotion route is understood, impartial and results oriented.	3.08	1.195
Performance appraisal is aimed at bringing about promotion	4.20	1.325
Performance appraisal brings about competition among employee	4.13	.865
Performance appraisal is based on understood appraisal method	4.36	.826

From the table 4, respondents were in agreement with the statements; Promotion route is anchored in HR practices, Employee performance appraisal brings about competition among employee and Employee performance appraisal is based on understood appraisal method. This is supported by their respective means of 4.08, 4.03, 3.89 and 4.06. Respondents opinion in relation to statement; All employees have promotion policy statement, Promotion policy aims to encourage hard work/efficiency that leads to wage increase, Promotion policy is always associated with an increase in workload/responsibility, Promotion route serves as source of motivation for employees, Promotion route is understood, impartial and results oriented and Employee performance appraisal s is aimed at bringing about promotion were highly dispersed as indicated by a standard deviation of 1.145, 1.200, 1.299, 1.199, 1.195 and 1.325. The study finding confirms Smriti(2016) finding in her study of six elements of promotion policy were she found that promotion increases employee motivation and output as it is attached to higher responsibility despite the financial reward. Similar finding were found by Tanya (2017) who studied the impact of employee job autonomy as a form of promotion and found that autonomy comes in with self-confidence which can be built on to increase employee output.

Employee Performance

Table 5: Mean and Standard Deviation

Statement	Mean	Std. Deviation
HRM Factors Increase in Employee efficiency	3.96	.766
HRM Factors Increase in Employee quantity of output	3.82	1.187
HRM Factors Enhance Employee quality of output	4.18	1.044
HRM Factors Enhance Management employee relation	3.78	1.068
HRM Factors Clear Employees management communication	3.86	1.014
HRM Factors Recognize Social groups	3.76	1.076

HRM Factors Enhance Recognition and Rewarding of performance	4.14	1.074
HRM Factors Increase employee efficiency and Job specialization	3.97	1.072
HRM Factors Enhances employee job satisfaction	3.78	1.068

From the table 5 above, respondents were in agreement with the statements; HRM Factors Increase in Employee efficiency, HRM Factors Increase in Employee quantity of output, HRM factors enhance Employee quality of output, HRM Factors Enhance Management employee relation, HRM Factors Clear Employees management communication, HRM Factors Recognize Social groups, HRM Factors Enhance Recognition and Rewarding of Good performance, HRM Factors Increase employee efficiency and Job specialization and HRM Factors Enhances employee job satisfaction. This is supported by their respective means of 3.86, 3.32, 4.18, 3.78, 3.86, 3.26, 4.14, 3.77 and 3.78. Statements in the table also exhibit a high dispersion of 1.187, 1.044, 1.068, 1.014, 1.176, 1.074, 1.072 and 1.068. The variable had average mean of 3.9 (M=3.9).The research finding concur with Purcell (2003) who studied People and Performance Link and found that people performance is a function of many HR factors and that as people and their needs evolve so should be the HR function so as to align the HR practice to emerging trends some of which are initiated by powerful external forces.

Regression Analysis

Table 6: Model Summary

Model	R	R^2	Adjusted R^2
1	0.879	0.773	0.758

In order to test the research hypotheses, a standard multiple regression analysis was conducted using employee performance as the dependent variable, and the four Human Resource Factors on employee performance: organizational leadership, organizational culture , employee reward and employee promotion as the predicting variables. The four independent variables that were studied explain only 75.8% human resource factors affecting employee performance in Kenya Power Ltd- Mombasa as represented by the adjusted R^2. This therefore means that other factors not studied in this research contribute 24.2% of the human resource factors affecting employee performance in Kenya Power Ltd, Mombasa.

Table 7: Analysis of Variance

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2857.59	4	714.398	50.994	.000[b]
Residual	840.564	60	14.009		
Total	3698.154	64			

To determine whether there existed a linear relationship among the variables in the regression, the analysis of variance (ANOVA) output was examined. The analysis of variance reports how well the regression equation fits the data by studying the value of F – statistic and its corresponding significance. When the test was run at 0.05 significance level, the p value was 0.000. If p value (0.000) is less than α (0.05) then the result is significant. The regression model predicts employee performance well as seen from Table 7 indicating that relationship is statistically significant (F = 50.994, p = .000). This means that there is a 99 percent chance that the relationship between Human Resource Factors and employee performance is not due to chance. This further

supports the finding of correlation analysis that indicated existence of a positive relationship between Human Resource Factors and employee performance.

Coefficient of Determination

Table 8: Coefficients of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	**Std. Error**	**Beta**		
	(Constant)	2.866	2.15		0.938	0.004
	Leadership	0.801	0.149	0.823	3.194	0.002
	Culture	0.656	0.06	0.3	2.95	0.004
	Reward	0.563	0.079	0.504	4.111	0.003
	Promotion	0.709	0.144	0.446	3.109	0.003
		a. Dependent Variable: Employee Performance				

a .Predictors: (Constant), Leadership, organization Culture, Employee Reward and Employee Promotion.

b. Employee Performance.

The researcher conducted a multiple regression analysis so as to determine the relationship between Y and the four variables. As per the SPSS generated table 4.11, the equation, $Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon$ become:

$Y = 2.866 + 0.801X_1 + 0.656X_2 + 0.560X_3 + 0.709X_4 + \varepsilon$

Where Y is the dependent variable Profitability), X_1 is Leadership, X_2 is organization Culture, X_3 is Employee Reward and X_4 is Employee Promotion.

According to the regression equation established, taking all factors into account (Leadership, organization Culture, Employee Reward and Employee Promotion) constant at zero, employee performance will be 2.866 .The data findings analyzed also show that taking all other independent variables at zero, a unit change in Leadership will lead to a 0.801 change in employee performance; a unit change in organization Culture variable will lead to a 0.656 change employee performance; a unit change in Employee Reward will lead to a 0.560 change in employee performance; a unit change in Employee Promotion will lead to a 0.709 change in employee performance.

Hypothesis 1

H0: Organizational leadership has no significant effect employee performance in Kenya Power Ltd, Mombasa

$\beta 1 = 0,$

H1: Organizational leadership has significant effect employee performance in Kenya Power Ltd, Mombasa

$\beta 1 \neq 0,$

In relation to the variable leadership, the results from the table above indicate that Organizational leadership has a significant influence on employee performance. This is supported by regression analysis t-value of 3.194 which is greater than the critical value 2.0 and a p-value of 0.01 at 95% level of significance which is less than 0.05. After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-

values was, 3.194 Organizational leadership, which is greater than the critical t36-1 (0.05) = 2.0, the study rejected the null hypothesis that Organizational leadership has no significant effect employee performance in Kenya Power Ltd, Mombasa. Therefore the study accepted the alternative hypothesis that Organizational leadership has significant effect employee performance in Kenya Power Ltd, Mombasa. The findings are therefore in harmony with Joshua (2013) who found that a motivated workforce is crucial for the success of an organization and that increasing employee performance is a key ingredient to a successful organization thus effective leader motivates their subordinates.

Hypothesis 2

H0: Organization culture has no significant effect employee performance in Kenya Power Ltd, Mombasa

β**1=0,**

H1: Organization culture has significant effect employee performance in Kenya Power Ltd, Mombasa

β**1≠0,**

In relation to the variable Organization culture, the results in above table indicate that Organization culture has significant effect employee performance. This is supported by regression analysis t-value of 2.95 which is greater than the critical value 2.0 and a p-value of 0.04 at 95% level of significance which is less than 0.05. After testing the hypothesis by comparing the scores of calculated t-value and critical t ; Calculated t-values was, 2.95 for Organization culture, which is greater than the critical t36-1 (0.05) = 2.0, the study rejected the null hypothesis that Organization culture has no significant effect employee performance in Kenya Power Ltd, Mombasa. Therefore the study accepted the alternative hypothesis that Organization culture has significant effect employee performance in Kenya Power Ltd, Mombasa. The finding confirms Stan (2017) assertion that a good organization culture develops and enhances communication

climate which is a network of personal relationships within the organization aimed at fostering open and healthy employee relations both among each other and with management thus enabling workers and managers to trust and respect each other thereby creating an effective cooperative framework that allows leaders to implement organizational strategies efficiently and effectively.

Hypothesis 3

H0: Employee reward has no significant effect on employee performance in Kenya Power ad Lighting, Mombasa

β**1=0,**

H1: Employee reward has significant effect on employee performance in Kenya Power ad Lighting, Mombasa

β**1≠0,**

In relation to the variable Employee reward, the results above table show Employee reward has a significant influence on employee performance. This is supported by regression analysis t-value of 4.111 which is greater than the critical value 2.0 and a p-value of 0.00 at 95% level of significance which is less than 0.05. After testing the hypothesis by comparing the scores of calculated t-value and critical t ; Calculated t-values was, 4.111 for Employee reward, which is greater than the critical t36-1 (0.05) = 2.0, the study rejected the null hypothesis that Employee reward has no significant effect on employee performance. Therefore the study accepted the alternative hypothesis Employee reward has significant effect on employee performance Employee reward has significant effect on employee performance in Kenya Power ad Lighting, Mombasa. The research finding concurs with Van (2008) who found that a properly administered system of rewards can provide incentive for quality workmanship and staff performance which the study finding tends to confirm.

Hypothesis 4

H0: Employee promotion has no significant effect on employee performance in Kenya Power Ltd, Mombasa.

β1=0,

H1: Employee promotion has significant effect on employee performance in Kenya Power Ltd, Mombasa.

β1≠0,

In relation to the variable Employee promotion, the results in above table indicate that Employee promotion have a significant influence on employee performance. This is supported by regression analysis t-value of 3.109 which is greater than the critical value 2.0 and a p-value of 0.004 at 95% level of significance which is less than 0.005. After testing the hypothesis by comparing the scores of calculated t-value and critical t; Calculated t-values was, 3.109 for Employee promotion, which is greater than the critical t36-1 (0.05) = 2.0, the study rejected the null hypothesis that Employee promotion has no significant effect on employee performance in Kenya Power Ltd, Mombasa. Therefore the study accepted the alternative hypothesis that

Employee promotion has significant effect on employee performance in Kenya Power Ltd, Mombasa. The findings confirms Mondy & Noe (2005) research finding that promotion when backed by the correct appraisal method can be viewed as a reward for what an employee has contributed to the organization and owing to the merit an employee has to the organization, promotion might be a necessity in order to retain that particular employee thus appraisal process that bring about the promotion is very critical.

Correlations

A correlation is a statistical measurement of the relationship either positive or negative between two variables. Possible correlations range from +1 to -1. A zero correlation is an indicator of no relationship between the variables of the study while a correlation of -1 indicates a perfect negative correlation meaning that as one variable goes up, the other goes down. A correlation of +1 indicates a perfect positive correlation, meaning both variables move in the same direction together.

Table 9: Correlations

Control Variables	Leadership	Culture	Reward	Promotion	Performance
Leadership	1	0.695	0.373	0.637	0.836
Culture	0.695	1	0.228	0.022	0.421
Reward	0.373	0.228	1	0.212	0.208
Promotion	0.637	0.022	0.212	1	0.224
Performance	0.836	0.421	0.208	0.224	1

From table 9, the results generally indicate the four variables were found to have market positive significant correlations on employee performance at 5% level of significance. There was a weak positive and significant correlation between Reward and employee performance (r =0.208, P < 0.05). There was a weak positive and significant correlation between Promotion and employee performance (r =0.224, P < 0.05). There was a strong positive and highly significant correlation between Leadership and employee performance

(r = 0.836, P < 0.05). There was a moderately strong positive and highly significant correlation between Organizational Culture and employee performance (r =0.421, P < 0.05). The results imply that Organizational Culture and Organizational leadership have significantly influenced employee performance at Kenya Power Limited Company. The findings concur with the analysis of variance (ANOVA) that examined the value of F– statistic and its corresponding significance. When the test was run at 0.05

significance level, the p value was 0.000. If p value (0.000) is less than α (0.05) then the result is significant.

CONCLUSIONS

Organizational Leadership

Leadership is the nerve of every organization and it was found to have huge impact on employee performance. Management leadership style as determined by situation at hand was found to have a positive effect on employee performance thus the style of management is important element in enhancing employee performance. Management strong trust with the teams they work with, management style that takes into consideration employee grievances and Management disciplinary action that is procedural encouraged employees to work harder thus improving performance.

Organization culture has developed and supported by management has direct impact on employee performance. For instance from the findings, a culture build on understanding and upholding of the company core values, appreciating the informal and formal social groups and a Communication that binds workforce together and provides a direction for the company were found to have great influence on employee performance.

From the study findings, it can be concluded that employee reward plays an important role in retaining employee since employee works with expectation a reward. Though reward doesn't necessary need to be monetary, employees attach more value to a reward that is monetary. The study found that for reward to have maximum impact, it should be unbiased and based on good performance, it should encourage individual employees to take responsibility for their action and it should enhance morale and create of a sense of individual achievement.

Employee promotion according to the finding should be based on employee achievement and the basis of promotion should be documented within the company policy. Employee performance appraisal should be the basis of earning a promotion and it should bring about competition among employees so that the best performer earns the promotion. The performance appraisal should be based on understood appraisal method by the employees and the promotion should encourage hard work and efficiency that would lead to wage increase.

RECOMMENDATIONS

- Since leadership is the nerve of any organization, its approach to employees and situations should factor in its impact on employee performance. Key areas such as management orientation to problem solving, management commitment to do the right think for right reasons, Management ability to /seek feedback from their teams and Management ability to be consistent in its actions and values should be closely looked at so as to foster better understanding between management and employees for better performance.

- Culture exists in every individual and community and given the diversity of employees within the organization, a harmonized organization culture was found to play an important role in employee performance. The organization should encourage cultural elements such as upholding of the organization core values, appreciation of informal and formal social groups and setting up of values that sets out the employees expected behavior as they have been found to impact positively on employee performance.

- Reward can take different forms though the most appreciated reward by employees is one with monetary attachment. However non-

monetary rewards should be encouraged since may attract monetary value in long run. Reward should be the outcome of good performance, individual achievement and higher responsibility and enhanced employee productivity.

- Employee promotion should bring about higher motivation to perform better not only to the earner but also to the other existing employees. It should serves as source of motivation for employees and bring about understood, impartial and results oriented employees as well as bring about competition among employee. The promotion policy should be clear and understood by all employees.

Suggestion for Further Research

The current study was based on a limited sample and therefore the results could not be generalized to other parts of Kenya especially in the analytical terms. Further research done on a bigger scale with a large sample size could shed light on human resource factors on employee performance.

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