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## Employee Development Strategies and Organizational Performance: A Case of Tea Sector in Kenya

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### Abstract:

*Performance is a challenge to many organizations. It is hard to achieve the desired levels of performance hence the need to use HR tools such as motivation, performance appraisal and Employee development. The study aimed at examining the effect of employee Development on organizational performance with specific of tea sector. The paper focus on training and mentoring to ascertain performance of the organization. Descriptive research design was used. Stratified and simple random sampling techniques were used to obtain a sample of 71 respondent from 696 employees of Unilever Tea Kenya Limited. Inferential statistics were used to measure the research hypothesis. The findings indicated that there exist significant effect between employee development and the performance of the organization. Productivity, cost, innovation and task completion level play significant role in performance of the organization. In conclusion the performance of organization is affected by employee development. The study recommend that the organization provide more input more on training and mentorship in order to improve overall organization performance.*

**Keywords:** Strategic management, employee development strategies, descriptive design, Kericho, Kenya

### 1. Introduction

Human resource for a long time has been one of resources that is consider to be important to the organization. According to Dessler (2007), human resource management are rules and practices undertaken in carrying out the human resource features of a management condition which comprises job analysis, planning, selection, hiring, performance appraisal, orientation, training, recompense, development, firing and employment relation. Human resource management is contain of the policies, practices, and systems that affect the management of employees' attitude, behaviour, and performance. According to Sisson (2000), noted that globally the human resource development is crucial for business development and business success. The author observes that there exist no substitute to human resource development and training since it enhance effectiveness of the human labour as well as efficiency. He further affirms that it would be unproductive to select the best employees with high qualification in education level and certification without training them since they will be not efficient and effective in conducting the organization goals.

Development is a non-stop progression that affect the objectives and aspirations of the firm as it nature it in growth as individuals grow (Barlett, 2001). The author affirms that money invested in development is money well invested and that Organizations use HR Practices as important tactical tools for stimulating favourable behaviour of workforces and providing skills, knowledge and abilities which should increase employees' performance. Gubbins, Garavan, Hogan and Woodlock (2006) support this argument by affirming that it is for this reason that HR Development has been recognized as the most first activity of the human resource system.

Bowra (2011) argues that organizations that are successful inclines to be gradually increase knowing that there are volumes of elements that are fundamental to performance of organization. Tharenou, Alan and Celia (2007) argued that the main purpose of HR development was to improve on the effectiveness of the business. They also related employee performance to be highly linked to the organization performance. Aguinis and Kraiger (2009) looks in term of improvement of revenues, productivity, effectiveness and profitability as directly affected by HR development.

Thang and Drik (2008) concur with Bowra that human resource influence the success of an organization and not the non-physical resources but the knowledge, expertise and features of the employees. An argument has been advanced by Evans, Pucik&Barsoux (2002) added that organization are affected by globalization, dynamics in innovation and technology, socio-economic and political environments and HR development is one of the adjustment that increases provide competitive advantage hence enhance the performance of the organization. They further argue that organization's responsibility should be to improve the employee performance through training and development in order to achieve organization performance.

Houger (2006) argue in the perspective that human resource is an intellectual property of the organization and is a source of competitive advantage to the organization this can be enhance more through building the competencies of the manpower. The author further observes that the employee should obtain necessary skills to improve in the so as to committing to their task.

Malaolu and Ogbuabor (2013) observe that human resource development was important in organization performance and production. He further noted that education system done not equip people in job skills on one's employment area. It noted that few persons have the right skills, abilities, knowledge and competencies that fit the job specifications as well as make contribute to performance of the organization. According to Kamoche (2002) the development of manpower in Africa and specifically in Kenya has several problems in finding a matching manpower with the employment requirement. This is contributed by corruption, low education level, political instability, bureaucracy, diseases and low purchasing power.

The firms in the tea sector have employee development programmes in place but despite this the costs of production have been rising as argued by Wachira (2002). According to Randy Altman (2001), for a long duration poor revenue, tea management are focusing on cost reduction. In situation the tea prices rises in internal market the profit increase in greater margin with reduced overall low production costs.

A company's employee development actions should therefore assist it realise its corporate strategy hence improve its performance. Despite the widely applauded effect that Employee development has on employee and organizational performance, not much literature exists on the same in Kenya and specifically in the tea sector.

## **2. Literature Review**

Employee development strategies are affected by many other factors including the management, motivation, interpersonal and intrapersonal skills among other factors. Hence it important choose the best strategy that increase performance of an organization. The tea industry depend so much in labor force to pluck tea, process and distribute and without employee development performance in research view would be low. To investigate more theoretical literature as well as empirical review were studied.

### *2.1. Theoretical Review*

The theory of human resource management was developed by Raymond Miles in 1965. It directs that labor force has untapped resources. Miles argued that every employee come into a firm with several different resources that can be tapped by the management to increase overall production. This include physical energy and skills self-direction, capabilities and creativity to enable the organization to maximize employee performance. The main purpose of the manager is to focus on controlling and directing employees and make major decision based on the human resource skills and capabilities in the organization. Communication was treated to be crucial and bi-direction between the employee and the employer. It also should provide inclusiveness in decision making and encourage participation. It explained further that most firms have untapped human resource and encouraged participation in order to achieve organizational performance and productivity (Miles & Ritchie, 1971). Human resource theory outline the function of HR and to improve it. There is need to focus in the HR development.

RBV theory, combines the views of organization economics and strategic management by Penrose (1959) and Barney (1991) respectively. Competitive advantage was achievable if the resource of the organization are costly, rare and valuable. RBV enable firms to gain competitive advantage by utilizing all resource available which includes human resource to be able to highly perform. It is then important to develop major resources to counter futuristic fulfilment of market competition. This gives the organization a super position in order to solve the dynamics of the market and resources available in the organization. RBV theory outline the distribution of resources including human resource.

Human relation theory was established in 1920's in United State of America to solve social issues and provide policies in labour issues. Human Relations theory developed was to counter the issues of Taylorism that was more scientific management system by introducing socio-psychological technic of solving issues within human resource. As the basis of its new methods of intensifying and increasing labor productivity, theory proposed that human psychological and ethical characteristic like motivation, goals and values were taken into account. According to Human Relations and management theory, it found that there are positive management actions used in improving performance through motivation. These are widely state in motivation theory that provide employee to play or rest, share vision and mission of the organization and empowerment of the employees through innovation and independency of decision making. It advocates for the training and developing of workforce provides inner synergy of capabilities and high performance. Lastly it advocates for the provision of suitable acknowledgement and incentive when they achieve company objective.

### *2.2. Training*

According to Wright & Geroy (2001) the argued that the competence of the employee is dynamic based on the input of the training undertaken. Through training human capital would not only be improved in performance but also in the effectiveness of the employer in the current position in attitude, knowledge and skills. This leads to high performance in from the employer to the entire organization. Harrison (2000), Guest (1997), and Appiah (2010) agreed that performance was linked to the training and positively associated toe employee performance which benefit the employee through development of competencies, knowledge, ability, behaviour and skills. The benefit are also to the organization in realization of the organization goals and high production,

### *2.3. Mentoring*

Hezlett (2005) and Gibson (2007) argue that employees should be able to manage their own career responsibly. This can be done mentorship programme and there is increase in mentoring for realization of continuous learning and ability to develop employment. Bierema and Hill (2005) agree to the fact that mentoring remain to be the cheapest way of improvement and development process in human resource. Researcher recommend that mentoring is one of the important strategy to consider in human resource development process. This would enable organization to attract and retain organization objective best suited for organization that use it learning as

foundation to the company. They further argued that mentoring ensure strategic alignment of programs and practice both with the organization and acquire knowledge from other organization. According to Hegstad and Wentling (2004), other from recent research over 500 companies received human resource development through career development and management training initiative where mentoring is operative technique in changing organization.

De Janasz, Sullivan and Whiting (2003) noted that mentoring network enable employees to dynamically succeed in workplace this characterised by dynamic organizational structures and careers. The effect of mentoring has increase effectiveness as means of coping with the change of the organization.

**3. Research Objective**

The following are research questions relating to the study:-

- i. To establish the effect of training on the organization performance.
- ii. To examine the influence of mentoring on the organization performance.

**4. Methodology**

The study used descriptive design and involved use of both primary and secondary data. The target population in this study involved the total number of employees of Unilever Tea Kenya Ltd. The target population were 696 staff of Unilever Tea Kenya Ltd (Unilever Tea Kenya Ltd Human Resource Record of 2016). After the Simple random sampling a percentage were taken to ensure that the sample is representative in proportion to their number in population. For descriptive studies, 10% of the population is adequate for sampling, Mugenda & Mugenda (2003).

Calculation of the sample

Management:  $10/100 \times 48 = 5$

Supervisory Staff:  $10/100 \times 72 = 8$

Support staff:  $10/100 \times 576 = 58$

A total of 71 sample from population of 696 staff. The reliability and validity were tested. This enable the following results.

**5. Results and Discussion**

The results were analyzed using regression analysis. It was displayed in coefficient of determination, ANOVA table and regression table.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724 <sup>a</sup>	.524	.490	.33812
a. Predictors: (Constant), Training, Mentoring.				
b. Dependent Variable: Performance				

Table 1: Coefficient of determination using SPSS version 21.0  
Source: Research data (2017)

R- Square representing determinant coefficient was given by 0.524 meaning that 52.4% of variation in performance is determined by training, mentoring but 47.6% is explained by other factors.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	7.161	4	1.790	15.659	.000 <sup>b</sup>
	Residual	6.516	57	.114		
	Total	13.677	61			
a. Dependent Variable: Performance						
b. Predictors: (Constant), training and mentoring						

Table 2: ANOVA analysis using SPSS version 21.0  
Source: Research data (2017)

Analysis of Variance (ANOVA) indicated was relationship between predictors and dependent variable was significant ( $F_{(p=0.95, 4, 57)} = 15.659, P < 0.05$ ). Hence therewas significant relationship between the performance and the independent variable training, mentoring (table 2).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.149	.713		-.209	.835
	Training	.418	.082	.482	5.085	.000
	Mentoring	.455	.093	.451	4.882	.000
a. Dependent Variable: Performance (Productivity, innovation, level of cost and task completion).						

Table 3: Regression analysis  
Source: Research data (2017)

The results from table iii indicated that training was significant to the performance of organization ( $t = 5.085$ ,  $P < 0.05$ ). Hence there was significant relationship between training and organization performance. This concurred with Malaola and Ogbuabor (2013) who found out that training and manpower development enhanced organization performance. Adomi (2006) also finding justify that there exist positive relationship between training and commitment of the employee in relation to the performance.

Mentoring was also significantly affected the organization performance ( $t = 4.882$ ,  $P < 0.05$ ). The model indicated that development of employees significantly affected the organization performance. Studies made by Young and Cates (2005) argued that mentoring positively related to commitment in organization hence improve performance.

## 6. Conclusion and Recommendation

The aspect of training was found to be significant in the tea sector performance. Mentorship was also considered to be significant in improved performance of organization. The firm should put more effort in mentoring and training new staff for high productivity and performance. To encourage succession and building core competency of the employees it research found it necessary that continuous training programs should be enrolled in the organization for high performance. Mentorship can be enhance through close coaching session, participating in production by top management and delegation among other methods. The performance of the company was measure through the productivity level rather than profitability based on the fact that international pricing are dynamic.

The paper recommended that training and mentoring should be used to bring change to the organization performance. The paper further recommended the tea sector to provide training and mentorship programs to the employees to ensure not only the development of employees but of the organization. Further studies should be considered in the following areas; employee development and employee performance, Training and employee performance and Participation and employee performance.

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