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Influence of Manpower Cost Saving Strategy on Organizational Performance of Tea Manufacturing Firms in Kenya

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Abstract:
The purpose of the study was to assess the influence of manpower cost saving Strategy on organizational performance of tea manufacturing firms in Kenya. The study was based on the cost containment theory, chain value analysis model and theory of manpower planning. The study used interpretive research philosophy. This is the study of phenomena in which an environment takes main point to the acknowledgement of scientist understudy. The study adopted descriptive research design. The study targeted 1928 employees from all the factories in the selected regions of KTDA.A sample size of 432 was used comprising of top management, directors, extension officers, supervisors and junior staff. The study used stratified random sampling and simple random sampling techniques to determine the sample size. Data was collected using questionnaire. The validity of the research instruments was verified by researchers' supervisors while reliability of the instruments was tested by piloting test through crobach's Alpha coefficient. The collected data was analyzed by SPSS version 22 to generate both descriptive and inferential statistics. Data was presented by use of tables and figures. Inferential statistics was used to give relationship between the variables. The findings indicate that there is a significant relationship between manpower cost saving strategy and tea manufacturing firm's organizational performance, where manpower cost saving strategy explained9.4% in the firms organizational performance. The study concludes that manpower management strategy has a statistically significant effect on tea manufacturing firms in Kenya. The study recommends that tea firms should minimize do proper staffing and training to achieve cost effectiveness that will spur organizational performance.

Keywords: *Manpower cost strategy, organizational performance and Kenya tea development agency*

1. Introduction

Manpower cost Strategy is cost management which has a challenge in most organizations. There has been noted that relationship between cost management and performance is not consistency. A number of studies indicated that cost management benefited most organization. It has been concluded that there is inconsistent relations between cost management and strategic management of performance. Performance can be considerable to benefits achieved in the organizations cost management strategies. Globally, the modern organization attempts to make decision that can manage sustainability. The cost management remains complex and turbulent in organization operations (Gofin, 2016).

1.1. Organizational Performance in Manufacturing Firms

Performance in tea processing firms is a question of how well these firms allocate cost inputs such as assets, cost of staff and self-efficiency and number of cost of operations (Gorman, 2016). Manufacturing firms performance are evidenced by sales returns which don't compare with broader market returns favorably. Sagimo (2012), records that cost management dynamic is challenging in terms of manufacturing firm towards efficiency, competence and productivity. From the study it is shown that manufacturing firms are taking competitive advantage in terms of cost spending to offer cost efficiency. The link between cost reductions and cost management remains a challenge in tea factories in Kenya. Cost management strategy is not applied in factories and therefore production remains poor. This has led to Tea producing countries performance declining due to poor strategic cost decision.

The Kenya vision 2030 is mandated to contribute towards the achievement of the country's economic growth. Activities have been identified by vision 2030 contributing to the achievement of the economic development of the county. The agricultural products have been identified by value addition with construction of tea factories which places the corporation's strategically as the major players in this tea industry. This is in line with cost strategy of value addition in order to increase markets access through processing, packaging, branding, and distributions of agricultural produce. Factories have created jobs which have positively contributed to the livelihood of people and development of infrastructure where tea is located (Nyayo Tea Zone development corporations (2016), Kenya vision 2030).

Kenya Vision (2030) in the Kenya Economic survey (2016) highlights that increased production of key crop lowers cost saving trends for tea and pyrethrum whose record declines. The value of tea market rose marginally in spite of a decline in production due to high prices, stiff competition and cost of production. Manufacturing sectors decrease from

an expansion of 3.4% in 2011 to a growth rate of 3.1% in 2012. While in the sequent years it showed growth rates of 2.9%, 2.5% and 2.3% in 2013, 2014 and 2015 respectively. The slow rate of growth was due to high cost of production.

Tea manufacturing firms in their sustainability attempt to continue financially, factory managers have realized that some sections do well while others remain dormant, despite this attempts factories are struggling to come nothing, but suffers financially. The reason for the differences is because they lack appropriate cost management strategies for better performance, hence failing. KTDA factories in the country are changing performance in terms of their sales volume and bonus. On global marketing, Tea Factories in Kenya contribute about60% of gross domestic product and their performance is shortage (*KIPPRA,* 2017).

KTDA managed factories in the country record seems to be changing to low performance indices; sales volume of processed tea leaves and bonus expense per kg in each factory. This indicated there is inadequacy in the cost management in respective factories managed given that cost management strategies in factories remain a question basically on strategic cost units. It was shown that tea production sales volume has been fluctuating over time. This changing trend is marked with the production of 328.2 Million kilograms in 2018, and 369.3 Million kgs in 2007 while in 2014, production stood at 444.8 Million Kgs. There have also been evident inconsistency and price fluctuations in bonus payments per kilo in KTDA factories much as they are all managed by the same group (Kenya Tea Board report 2015).

For instance, in 2014, the highest bonus paid is USD.25.50 which is Imenti tea factory and the lowest is Ogembo which is paid USD 8.50. Such discrepancy is a clear sign that there are untracked issue in the way cost of operations are managed due to inadequate application of strategic cost management strategies which have an effect on performance of the different factories (KTDA 2015). Ogwoka (2015) argued on the effects of the material cost strategy practices in KTDA and found out that they produce 60% of tea in Kenya. Despite the development of appropriate production strategies, KTDA managed factories still experience high cost of operations leading to declining yield in their performance. The low performance and declining yield in KTDA factories results from poor cost management strategies by KTDA managed factories. If appropriate cost management strategies are applied then they can be embraced by KTDA factories, can compete favorably and link the performance gaps.

In addition to vision 2030, factories shall adopt innovations for energy reductions costs through shifting to energy efficient technologies such as space heating, or cooling technology, to utilize building a significant impact, replacing an older efficient natural gas furnace with 95 percent one to reduce energy use, carbon emissions and natural gas bills. This is limited to incentives for productions of tea product, processing characterized by high cost of energy and heavy reliance on wood-fuel. The main issue in tea marketing and cost reduction includes low domestic consumptions, dominance of new competitors from multinational companies which the prices with limited number of export destinations and decrease in current market demands. It has evidenced that Kenya tea is not branded and there is need for research for sustainable development of tea due to lack of cost strategies (Ogwoka 2015).

Also, the excessive cost of running business in Kenya has necessitated the need to focus on cost control and reduction as a means of achieving objectives, which include maximization profit and shareholder value. Up till now, many companies do not see cost management as a serious challenge. Thus, frequent complain of low returns to capital employed by shareholders. The inability to control or reduce cost incurred and attendant effect on profitability has forced some Kenyan firms to relocate their businesses to the neighboring countries, where they assume cost of running business will be relatively cheaper compared to what is happening in Kenya. Although the economic crisis has created enormous challenge for companies, as the economic times demanded that companies make the right management decisions if they were to survive, opportunities were also emerging companies were under increasing pressure to scrutinize all parts of the business processes to identified new areas of efficiency. Strategy cost management therefore became a tool to look into as a competitive tool for business survival in the recessionary times (Gorman, 2016).

1.2. Statement of the Problem

Organization are faced by turbulent economic conditions, therefore they have put in place cost management strategy as a tool to enable them improve on organizational performance. When cost management strategies in terms of material cost strategy, manpower cost saving strategy, energy cost caving strategy, and equipment maintenance cost strategy, moderated by organizational policies are implemented properly, they improve operation costs and enhance organizational performance oftea processing firms in Kenya.

However, when cost management strategies are not implemented, tea factories are not able to perform effectively. In 2017, organization performance of tea factories declined in terms of earnings, quality output and maintaining level of customer's satisfactions. The poor performance has been attributed by poor strategic cost measures, labor and staffing, cost saving and expenditure cost which continually decreases annual per capita income in tea consumptions (KIPPRA 2017).

Plexxi (2014) considered the cost management strategies as controlling cost technique in business banks in Sudan south. The investigation analyzed the impact of different cost elements of organizational policy in particular; prevailing attributes, hierarchical cost pioneers, the cost of workers, material cost, key cost centers and criteria of accomplishment on successful cost usage in South Sudan business banks. The study failed to address on energy cost strategy and equipment maintenance cost which are key cost management strategies in tea firms in Kenya.

Kenyan tea factories are having challenges with costs affecting their earnings. Mwangi (2017) opined that the challenges of cost management strategies affect the grading of tea production and distribution to the market. This is also evidenced from the downward trend of local consumption of tea in the country as it is becoming low in terms of costs, despite Kenya being the global leader in production of the best quality teas in the world. The industry is faced with the challenge of cost management to meet international standards which makes it difficult for the industry to perform in the

international markets. Hence tea firms are under pressure to retain minimal cost by expecting maximum profits. Deno (2014) agreed that cost reduction strategies are employed to control any operation costs of saving incurred. Hence there is no research that has established quantitatively the cost management strategy in Kenya. It is against this gap, that this study seeks to assess the role of organization policies on the relationship between the cost management strategies on organizational performance of tea manufacturing firms in Kenya.

2. Research Design and Methodology

The research study adopted descriptive survey research design. According to Mugenda (2003), descriptive design is a process of describing the situation in the way it is with the aim of collecting data to answer questions under study. Descriptive research design was appropriate, because it enabled the researcher to describe and explore information on the effects of cost reduction practices on organizational performance. It involves asking the respondent's view on how they experience from their views about phenomena directly. It was advantageous in that it allows the collection of large amount of data from the population by use of research questionnaires (Micheni, 2011).

2.1. Study Area

The study was conducted in tea processing regions, namely Kericho highland, Kisii highlands and Nandi highlands and western region. These three regions have a total of 27 tea factories. The area was chosen because of its geographical convenience to arrive at the sample size with tea factories.

2.2. Target Population

The target population is the group of people or items the researcher intends to use for a study (Arijit, 2015). The study targeted 1928 employees of the selected tea regions. The target population comprised of 135 Managers, 162 Directors, 113 Extension Officers, 119 Supervisors and 1399 junior staff includes subordinate and established staff. The target population was derived from human resource records of each tea factories comprising of the three regions selected. Target population for the study is as shown in Table 1.

s/n	Factory	Managers	Directors	Extension Officers	Supervisors	Junior Staff	Total
1	Toror	5	6	4	3	35	53
2	Tegat	5	6	5	3	45	69
3	Momul	5	6	4	4	55	74
4	Chelal	5	6	3	3	45	62
5	Kapkatet	5	6	5	6	60	82
6	Mogogosiek	5	6	6	7	55	79
7	Kopel	5	6	3	3	30	47
8	Kapset	5	6	5	7	58	81
9	Rorok	5	6	3	3	30	47
10	Kapkoros	5	6	4	6	55	76
11	Tirgaga	5	6	3	3	30	47
12	Sanganyi	5	6	6	7	69	93
13	Tombe	5	6	5	6	68	90
14	Gianchore	5	6	4	4	53	72
15	Nyansiongo	5	6	6	8	79	104
16	Kebirigo	5	6	5	5	60	81
17	Nyankoba	5	6	5	4	60	80
18	Rianyamwamu	5	6	3	3	44	61
19	Itumbe	5	6	3	3	39	56
20	Nyamache	5	6	5	6	69	91
21	Ogembo	5	6	3	5	58	77
22	Eberege	5	6	4	3	40	58
23	Kimokama	5	6	3	4	58	76
24	Chebut	5	6	3	3	48	65
25	Kaptumo	5	6	4	3	40	58
26	Mudete	5	6	3	4	39	57
27	Kapsara	5	6	4	3	37	55
	Total	135	162	113	119	1399	1928

Table 1: Target Population
Source: Website from Individual Factories (June, 2018)

2.3. Sample and Sampling Design

2.3.1Sampling Frame

s/n	Factory	Managers	Directors	Ext. officers	Supervisors	Junior Staff	Total
1	Toror	1	1	1	1	9	13
2	Tegat	1	1	1	1	11	15
3	Momul	1	1	1	1	13	17
4	Chelal	1	1	1	1	11	15
5	Kapkatet	1	1	1	1	14	18
6	Mogogosiek	1	1	1	1	13	17
7	Kopel	1	1	1	1	8	12
8	Kapset	1	1	1	1	14	18
9	Rorok	1	1	1	1	8	12
10	Kapkoros	1	1	1	1	13	17
11	Tirgaga	1	1	1	1	8	12
12	Sanganyi	1	1	1	1	16	20
13	Tombe	1	1	1	1	16	20
14	Gianchore	1	1	1	1	13	17
15	Nyansiongo	1	1	1	1	19	23
16	Kebirigo	1	1	1	1	14	17
17	Nyankoba	1	1	1	1	14	17
18	Rianyamwamu	1	1	1	1	11	15
19	Itumbe	1	1	1	1	10	14
20	Nyamache	1	1	1	1	15	19
21	Ogembo	1	1	1	1	13	17
22	Eberege	1	1	1	1	10	14
23	Kimokama	1	1	1	1	13	17
24	Chebut	1	1	1	1	10	14
25	Kaptumo	1	1	1	1	10	14
26	Mudete	1	1	1	1	10	14
27	Kapsara	1	1	1	1	8	12

Table 2: Sample Size Determination
Source: Researcher (2018)

2.3.2. Sample Size

The study used Yamane Formula to calculate the sample size. The sample size was 432 respondents. Israel (2012) formula adoption from Yamane: Sample size (n)= $N/(1+N(e^2)$ was applied for the Sample size (n)= $1928/(1+1928\ (0.05^2)$ = 332. In order to cushion any likely non-response, Yamane further recommends an increase by 30% to cater for non-responses. This yield a sample size of 432. The distribution is as shown in Table 2. The three regions of study were Kericho highlands, Kisii highlands, Nandi hills and Western. These regions were selected for this study because they are concentrated but not embracing cost management practices.

2.3.3. Sampling Procedure

Sampling procedure involves the steps to follow in selecting the sample size in order to collect data from phenomena. The stratified sampling was used to select sample of employees determined by the formula; this means all of them were stratified for the study, because the population is suitable and categorized respondents, according to their levels to give every member of the population an opportunity to participate in the study. Within the stratum, a simple random sampling was adopted.

2.4. Data Collection

Data collection is the process used to collect information from relevant sources under the study in order to answer the study problem. Data collection was by use of primary sources. Self-administer method pick and drop was used to collect primary data for the study.

2.5. Data Collection Procedures

The study used structured questionnaire to collect data. The researcher was given an introductory letter from the University to apply for research permit from National Commission for Technology Innovation. The primary data was collected through self-administered questionnaire to the respondents by use of drop and pick approach. The researcher used structured questionnaire; because it easier for data analysis from the respondents, lower cost even when the universe is large and widely spread geographically. The respondents' answers are in his or in her own words. Respondents

who are not easily approachable can also be reached conveniently. Questionnaire is a research instrument comprising of a series of questions (or other types of prompts) for the aim of collecting data from respondents (Kaplan, & Saccuzzo, 2009).

2.6. Data Analysis

Data collected was edited, coded and keyed in to statistical programs for analysis then the coded data was analyzed by descriptive statistics; frequency, weighted average, mean and standard deviation. The study used SPSS version 22 software to analyze quantitative data. Correlation was be used to investigate the role of organizational policy on the relationship between cost management strategies and organizational performance of manufacturing firms in multi linear regression model. The regression analysis was used to investigate the existence of the relationship between independent variables and dependent variable.

The regression assumption was based on testing multi-collinearity to test variable relationships between regression models. T-test value was used to test hypothesis. The data was presented in tables and figures and then the findings were made. The model summary was;

$Y = \beta_0 + \beta_2 X_2 + \varepsilon$…..where,

Y-Organizational Performance of Manufacturing Firms,

β_0 – is a constant term of performance independent of the strategies.

X_2–Manpower cost strategy

$B_{2,}$ is a regression coefficients

ε- Error term

4. Data Analysis and Interpretation

4.1. Response Rate

The study targeted 432 respondents from the 27 tea factories in the three regions namely Kericho highlands, Kisii highlands, Nandi hills and Western. The field data was obtained from 367 respondents. The data set was then screened for code violations and missing data, using SPSS descriptive statistics and visual inspection by the researcher. Twelve (12) questionnaires were not completely answered and were therefore removed from the analysis. Three hundred and forty five questionnaires (345) were retained yielding an effective response rate of 79.9%.

4.2. Manpower Management Strategy

Manpower management strategy involves the sum of labor payments or wages paid to employees, as well as the cost of employee benefits and payroll taxes paid by an employer. . The cost management remains complex and turbulent in organization operations (Gofin, 2016). Eleven questionnaire items were used to examine the prevailing status of manpower management strategy on organizational performance in manufacturing firms in Kenya.

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
C1: My organization rewards employees who meet set target	345	1	5	3.87	1.169	-.936	.131	.013	.262
C2: My organization allows employees to set their own targets	345	1	5	3.33	1.110	-.471	.131	-.448	.262
C3: My organization pays competitive salary and wages	345	1	5	3.43	1.153	-.395	.131	-.589	.262
C4: My organization practices job enlargement strategy	345	1	5	3.16	1.195	-.161	.131	-.888	.262

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
C5: Availability of staffing are in relation to cost status	345	1	5	3.22	1.298	-.334	.131	-1.011	.262
C6: Labor contract affects performance of firms	345	1	5	3.38	1.195	-.331	.132	-.798	.263
C7: Employees working in permanent terms are more productive	345	1	5	3.43	1.197	-.528	.131	-.598	.262
C8: The labor cost is effective in enhancing service delivery	345	1	5	3.49	1.182	-.446	.132	-.600	.263
C9: Staffing and training are used strategically to achieve cost effectiveness	345	1	5	3.68	1.222	-.744	.131	-.348	.262
C10: Training and staffing contributes to generation of resources that effect profitability	345	1	5	3.57	1.196	-.709	.131	-.364	.262
C11: There is need to develop staffing programmes to enhances quality of service	345	1	5	4.01	1.195	-1.233	.132	.658	.263
Total Average				3.51	1.083				

Table 3: Descriptive Statistics for Manpower Management Strategy
Source: Researcher, 2021

The results in Table 7 shows that, majority of the respondents agreed that their organization rewards employees who meet set target [Mean=3.87, SD=1.169.Similary, the organization allows employees to set their own targets [Mean=3.33, SD=1.110]. Majority respondents also concurred that their organization pays competitive salary and wages even though a good number of them were on the contrary opinion, [Mean=3.43, SD=1.153]. However, respondents were unsure as to whether the organization they work in practices job enlargement strategy, [Mean=3.16, SD=1.195].

Respondents further differed with regard to the statement, 'availability of staffing are in relation to cost status' [Mean=3.22, SD=1.298], this implied there were some other factors put into consideration during staffing. Respondents also agreed that labor contract affects performance of firms [Mean=3.38, SD=1.195]. Respondents expressed divergent opinion as to whether employees working in permanent terms are more productive [Mean=3.43, SD=1.197]. On the flip side, a majority respondent were in agreement that labor cost is effective in enhancing service delivery [Mean=3.49, SD=1.182] and that staffing and training are used strategically to achieve cost effectiveness [Mean=3.68, SD=1.222]. Respondents were also in agreement to the statement 'training and staffing contributes to generation of resources that effect profitability' [Mean=3.57, SD=1.196]. Respondents also were in agreement that there is need to develop staffing programmes to enhances quality of service [Mean=4.01, SD=1.195]. The items on manpower management strategy summed up to an overall mean of 3.51 and a standard deviation of 1.083 suggesting that with proper manpower management strategy can enhance organizational performance.

The values of skewness swing between -1 and -0.5 with all values ranging below -1. Hence, a negatively skewed distribution was assumed. The items manpower management strategy had a kurtosis of <3, hence the distribution was approximately symmetric and platykurtic with only one item (C11: There is need to develop staffing programmes to enhance quality of service) having kurtosis of 0.658; hence no perfect distribution was observed.

4.3. Organizational Performance

Performance in manufacturing firms is a question of how well these firms allocate cost inputs such as assets, cost of staff and self-efficiency and number of cost of operations (Gorman, 2016). Table 4 highlights the findings on organizational performance.

	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**	**Skewness**		**Kurtosis**	
	Statistic	**Statistic**	**Statistic**	**Statistic**	**Statistic**	**Statistic**	**Std. Error**	**Statistic**	**Std. Error**
G1: Our productivity is increasing in profits	344	1	5	3.44	1.256	-.350	.131	-.863	.262
G2: Efficiency is achieved by cost management strategies	345	1	5	3.45	1.051	-.331	.131	-.334	.262
G3: The profitability of factories can be achieved by cost management strategies.	344	1	5	3.44	1.213	-.409	.131	-.703	.262
G4: Better cost management strategy enhance sales volume	344	1	5	3.35	1.229	-.223	.131	-1.020	.262
G5: Good cost management strategies can enhance improved bonus pay	342	1	5	3.57	1.272	-.535	.132	-.798	.263
G6: Cost management enhances expansion rate	344	1	5	3.61	1.190	-.564	.131	-.485	.262
Total Average				**3.45**	**1.184**				

Table 4: Descriptive Statistics for Organizational Performance
Source: Researcher, 2021

Basing on the findings, employees generally agreed that productivity is increasing in profits (mean = 3.44, SD = 1.256). Also, efficiency is achieved by cost management strategies (mean = 3.45, SD = 1.051). Further, profitability of factories can be achieved by cost management strategies (mean = 3.44, SD = 1.213). In addition, better cost management strategy enhances sales (mean = 3.35, SD = 1.229). Furthermore, employees agreed that good cost management strategies

can enhance improved bonus pay (mean = 3.57, SD = 1.272). Moreover, Cost management enhances expansion rate (mean = 3.61, SD = 1.190).

Overall, the items on organizational performance summed up to a mean of 3.45 and a standard deviation of 1. 184.

The implication is that cost management strategies are vital in enhancing organizational performance.

All values on organizational performance items showed skewness of below -1hence a negatively skewed distribution was assumed. The kurtosis on all items were <3, implying the distribution was approximately symmetric and platykurtic

4.4. Correlation Statistics

Pearson's product-moment correlation was used to present the results of the correlation analysis on study variables. The Pearson product-moment correlation coefficient measures the strength of a linear association between two variables.

		Manpower Cost Strategy	Organizational Performance
Manpower Cost Strategy	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	345	
Organizational Performance	Pearson Correlation	.509**	1
	Sig. (2-tailed)	.000	
	N	345	345

Table 5: Correlation Matrix
Source: Researcher, 2021

From the correlation analysis in Table 5, it was established that there was a strong, positive and significant correlation between manpower cost and organizational performance [r=0.509**, P= 0.000].The relationship implies that higher levels of organizational performance in tea manufacturing firms can be associated with how the said tea firms are able to manage the cost of material. Based on these findings, the study concluded that manpower cost strategy influences organizational performance.

4.5. Regression Analysis

4.5.1. Influence of Manpower Cost Saving Strategy on Organizational Performance

The objective of the study was to assess the influence of manpower cost saving strategy on organizational performance of tea manufacturing firms in Kenya. The hypothesis stated;

- Ho2: Manpower Strategy has no significant influence on Organizational performance of tea manufacturing firms in Kenya

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.306[a]	.094	.091	.67777	.094	35.490	1	343	.000
a. Predictors: (Constant), Manpower Management Strategy									
b. Dependent Variable: Organizational Performance									

Table 6: Model Summary for Manpower Cost Saving Strategy
Source: Researcher, 2021

The results in Table 6 show the correlation for the relationship between manpower management strategy and organizational performance is moderate, positive and significant (r=.306, p<0.05). The R squared value showed that manpower management strategy explained 9.4 percent of the variance (R2=0.094).

The ANOVA results were presented in Table 7.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.303	1	16.303	35.490	.000[b]
	Residual	157.565	343	.459		
	Total	173.869	344			
a. Dependent Variable: Organizational Performance						
b. Predictors: (Constant), Manpower Management Strategy						

Table 7: ANOVAa for Manpower Cost Saving Strategy
Source: Researcher, 2021

The ANOVA findings showed a model fitness for influence of manpower management strategyon organizational performance was statistically significant (F = 35.490, ρ=.000). Thus, the model was fit to predict organizational performance using manpower management strategy.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.721	.293		5.871	.000
	Manpower Management Strategy	.496	.083	.306	5.957	.000
a. Dependent Variable: Organizational Performance						

Table 8: Coefficientsa for Manpower Cost Saving Strategy
Source: Researcher, 2021

The results showed that manpower management strategy predicted organizational performance (β1=.306), which means that a unit increase in manpower management strategy yielded a .306 change in organizational performance. With the t value of 5.957; P Value= 0.000 against a significance level of < 0.05, manpower management strategy proves to be statistically significant in changing the outcome of the tea manufacturing firms organizational performance. Hence, the Hypothesis that manpower management strategy has no significant influence on Organizational performance of tea manufacturing firms in Kenya was not supported.

5. Summary of Findings, Conclusions and Recommendations

5.1. Manpower Cost Saving Strategy and Organizational Performance

The study objective was to assess the influence of manpower cost saving strategy on organizational performance of tea manufacturing firms in Kenya. The findings on manpower cost saving strategy established that rewarding of employees who meet set target, paying of competitive salary and wages and proper staffing and training to achieve cost effectiveness will spur organizational performance.

The correlation results indicated a moderate, positive and significant relationship between organizational performance and manpower cost saving strategy. Manpower cost saving strategy gave a 9.4 percent variation to organizational performance. The second hypothesis was therefore rejected implying that a statistically significant positive relationship exist between manpower cost saving strategy and organizational performance.

5.2. Conclusions

The study concluded that manpower strategy has a statistically significant effect on tea manufacturing firms in Kenya.

5.3. Recommendations

The results have indicated that manpower cost strategies are key in enhancing tea firm's organizational performance. Tea firms therefore should consider proper cost estimation strategy and methodology in order to have a positive effect on performance. This will improve the gross profit of tea farmers, hence boosting sustainability of the tea firms.

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