High Performance Work Practices and Employee Performance within Firms in the Aviation Industry in Kenya: A Case of Kenya Airways

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ABSTRACT

High Performance Work Practices area is key in this study and considerations have not been made for any organization in Kenya especially in the private sector. HPWPs are imperative in any private entity. Effectiveness of HPWPs in organization is largely related to overall employee performance. Organization with high employee performance has huge trickledown effect on the bottom line-healthy balance sheet and attractiveness to potential investors. A better understanding is required to investigate HPWPs in corporate firms in Kenya and especially in the aviation context. This study sought to establish the effect of performance work practices (HPWPs) on employee performance. The study was guided by four specific objectives namely: to determine the effect of reward management, performance management, training and development, employee relations on employee performance at Kenya Airways. The study was anchored on ability, motivation and opportunity theory of performance (AMO Theory), resource-based theory and social exchange theory. The core objective of HPWPS was to impact attitudes and behaviors of employees in such a manner that individual performance is enhanced. The AMO theory stated that organizational performance was dependent on the ability, motivation and opportunity of employees. The study employed descriptive design since the researcher was interested on the state of affairs already existing in the field and no variable was manipulated. The target population was the operational employees at Kenya Airways in Nairobi offices. A sample size of 347 employees was selected using stratified random sampling. The study relied on primary data specifically use of structured questionnaires. The collected data was made ready for analysis and cleaned through checking for errors and completeness, editing, coding, transcribing and entering them directly into SPSS software. Data analysis entailed both inferential and descriptive statistics. Descriptive statistics such as percentages, mean, frequency distribution and standard deviation were computed to describe the characteristics of the variables of interest while in inferential statistics, correlation, multiple regression analysis was used establish the nature and magnitude of the relationships between the variables. The results of data analysis were presented using figures and tables for easy understanding and interpretation. The study findings indicated that high performance work practices had a positive and significant effect on employee performance. Based on the study findings the adoption of high-performance work practices by Kenya Airways could be concluded that these practices influenced employee performance. Reward management, performance management, training and development, and employee relations had a positive effect on employee performance. The results of this study have helped to determine the crucial role of HPWPs on employee performance and therefore recommend that organizations focus on the use of these practices to be able to achieve and meet their set targets, mission, and vision and be able to sustain themselves in the competitive global market. The results of the study can be used by academicians and industry stakeholders to improve employee performance hence high returns on investment.

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1. Introduction

In the contemporary business environment, human resource represents the most important resource, and each organization strives to have highly satisfied and hence motivated employees. Employees with high job satisfaction are likely to exert more effort in their assigned tasks and pursue the organization’s interests. An organization that fosters high employee job satisfaction is also more capable of retaining and attracting employees with the skills that it needs (Rad & Yarmohammadian, 2016). Employee satisfaction has been one of the major areas of interest in both fields of organizational behavior and human resource management practice, as it reflects the employee’s attitude towards their job and commitment to the organization. Hence, today’s managers are compelled to consider the job satisfaction of their subordinates. Additionally, the managers have a moral responsibility to provide the employees with a satisfying work environment, since they know that satisfied workers make positive contribution in terms of higher productivity, quality products and services and less wastage to the organization (Balozi, 2011). As a result, it is important that a firm adopts high performance work practices that results in satisfied and hence motivated employees.

High performance work practices (HPWPs) are simply work practices that can be deliberately introduced in an organization through employees in order to improve organizational performance (Sung & Ashton, 2008). Those organizations that adopt HPWPs are referred to as high performance work organizations (HPWOs). High-performance work practices (HPWP) also referred to as high involvement or high commitment work systems, seek to increase work satisfaction and improve organizational performance through investment in human capital (Pfeffer, 2006). While definitions vary, HPWP are generally conceptualized as bundles of mutually reinforcing and complementary human resources policies and practices that promote vigorous worker selection practices, increased career and skill development opportunities and the use of performance-based incentives, team-based work practices, and participatory decision making (Huselid, 2010). The modern field of today’s human resource management (HRM) is attracting a great deal of attention because of its potential impact on organization’s survival and prosperity. There is now an evolving belief that, if organizations wish to survive and compete in today’s talent-based global economy, they have to acquire, develop, and accordingly manage world-class human resource management competencies and practices (Darwish, 2013). The adoption of high-performance work practices (HPWPs) has been associated with higher productivity and enhanced performance at the firm level (Huselid, 2010; Ichniowski, Shaw & Prennushi, 2010). HPWPs are a management approach in which firms relies especially on employee contributions to succeed in the achievement of business goals. These practices are also referred to as high – commitment management (Wood, 2010), high involvement management (Guthrie, 2009), flexible work practices (Gittleman, Horrigan & Joyce, 2010).

Human resource practices that SHRM theorists consider performance enhancing are known as high-performance work practices (HPWPs-Huselid, 2010). HPWPs include, for example, incentive reward management, training and development, employee participation, selectivity,
and flexible work arrangements (Pfeffer, 2010). SHRM theory asserts that these practices increase employees’ knowledge, skills, and abilities (KSAs), empower employees to leverage their KSAs for organizational benefit, and increase their motivation to do so (Becker & Huselid, 2008). The result is greater job satisfaction, lower employee turnover, higher productivity, and better decision making, all of which help improve organizational performance. HPWPs also operate through organizations’ internal social structures to increase flexibility and efficiency (Evans & Davis, 2015). Globally, there is growing realization that increasing focus on employees can enhance the performance of an organization. Human Resources departments are trying to prove that they add value to the organization’s performance. They are battling to justify the reasons for their existence in organizations. However, perhaps one of the reasons that HR has not been more successful in communicating the importance of what they do is because they have tended not to express it in economic terms. Researchers like Dietz, & Boon (2005), Danford et al. (2008), Guthrie (2009), Fabling and Grimes (2010) have worked hard to establish the empirical relationship between human resource management and organizational performance.

Katou and Budhwar (2010) investigated the effects of HPWPs on organizational performance based on a sample of 178 Greek organizations operating in the manufacturing industries. The authors identified five bundles of HPWPs as the independent variables, including recruitment, training and development, reward management and incentives, employee participation, and job design. The study aimed at understanding the effects of HPWPS on employee skills, attitudes, and behaviours as the mediating variables between HPWPs and firm performance. Employee skills measures were competence, co-operation with management, and co-operation among employees. Attitude measures were motivation, commitment, and satisfaction. Employee behaviour measures were retention and presence. Using hierarchal multiple regression modelling, the results of the study revealed significant positive relationships between each of the HPWPSs and performance measures. The study adds a new dimension to the analysis, emphasizing the mediating variables between HPWPS and performance. HPWPSs do not have direct impact on organizational performance, but their impact is mediated by employee skills, attitudes, and behaviours (Katou & Budhwar, 2010).

West (2012) examined the link between HRM practices and performance outcomes measured through patient mortality rates in United Kingdom National Health Service Trusts. In their study, the authors surveyed Chief Executives and Human Resource Management Directors in 81 acute hospitals throughout England. Then, they interviewed fourteen HR Directors and two Chief Executives. In their study, they examined the relationship between some HRM practices and patient mortality rate as an indicator for organizational performance. The analysis revealed that three HRM practices- performance management, training, and teamwork- have significant relationships with the mortality rate in the UK. However, performance management has the strongest relationship with patient mortality, accounting for over a quarter of the variance in the mortality rate (West et al., 2012). Baptiste (2018), in his study on local government in North England surveyed 100 employees to examine the effects of HPWPs practices on organizational effectiveness and decision making as part of a review for service provision. The study used a set of six HRM practices as independent variables; staffing and recruitment, training and development, worker involvement, pay and rewards, flexibility, involvement in decision-making and communication. For organizational performance, employee well-being was used as a measure of organizational effectiveness. Employee wellbeing was measured by using employee commitment, job satisfaction, and work-life balance satisfaction, which collectively constitute employee wellbeing at work (Baptiste, 2018). The bivariate inter-correlations result from data analysis have shown that HRM practices promote attitudinal characteristics among
employees in the form of employee wellbeing, which creates a domino effect through enhanced performance (Baptiste, 2018; p. 296); therefore, the indirect relationship between HPWPS and performance is mediated through employee wellbeing. Other studies have used a similar approach linking HRM to organizational level performance using different variables. Daniel Beaupré and Julie Cloutier (2017) conducted a similar study to examine the adoption of HPWPS in the public service sector in Quebec using economic performance as the main measure. The study was an exploratory examination of managerial reform within the Government of Quebec in 1999 and the effects of creating Autonomous Service Units (ASUs) within the government body. In their study, the main objectives were to verify if the new management model of ASUs corresponded to a high-performance management model, and to examine the effects of establishing ASUs in several government departments. The authors were able to organize group discussions and semi-structured interviews with personnel from four different government departments. In their findings, the authors reported that results show that two of the four ASUs under study have the characteristics of a high-performance management model: the employees are committed and motivated, their level of satisfaction is very high ... and the economic performance of the ASU showed exceptional growth (p. 538).

Wang, Yi, Lawler, and Zhang (2011) examined the impact of HPWPs on worker attitudes and behaviors in private (private enterprises or PEs) and public (state-owned enterprises or SOEs) organizations in the Chinese context. The research aimed at finding any distinctions on the efficacy of HPWPS practices between private and public organizations on the individual employee performance outcomes. Based on survey data samples from SOEs and PEs, the authors found that differences in the effects of specific HPWPs practices, such as employee empowerment, on employee commitment exist. Within public organizations, empowerment had less effect on employee commitment. However, there were no significant differences on the effects of other HPWPs practices between private and public organizations. The general conclusion on the impacts of HPWPs on employees reported that the HPWPs enhanced organizational commitment, and reduced work withdrawal behaviours and turnover intentions (Wang 2011).

Butali (2014) conducted a study to examine the impact on organizational quality in Kenya of high-performance work practices. A total of 291 questionnaires have been sent to managers and employees of three organizations in Kenya, and findings show that some of the human resource practices are associated with high-performance work practice. Organizations in Kenya are experiencing fundamental changes and customers expect quality products and services, service speed and consistency, efficiency of prices and creativity. If Kenyan organizations are to survive, the issue of employee participation, selective hiring, and job security have to be addressed remain competitive and increase performance. Recognizing, using, and developing their human resources may be the most important challenges facing management, and it is argued that those organizations that excel in this will be the leaders of the industry. Dimba and K’Obonyo (2009) investigated the nature of the effect of SHRM practices on organizational performance. The study sought to determine whether the effect of human resource management practices on organizational performance is direct or indirect through employee motivation, and whether employee cultural orientations moderate the relationship between strategic human resource practices and employee motivation. Fifty multinational manufacturing companies in Kenya were sampled. One HR manager, two-line managers and three employees from each organization were chosen for the survey. The study adopted the measures developed by Hofstede and Huslil. Using regression analysis, the results indicate that all the variables of SHRM practices, except recruitment and selection were positive and significantly correlated with performance; relationship between SHRM practices and firm motivation did not depend...
on employee cultural orientations when cultural values were considered; motivation mediated the relationship between SHRM practices and firm performance, and motivation affected firm performance.

2. Statement of the Problem

Kenya Airways has been on the limelight due to negative performance and the government has had to salvage it from collapsing by extending financial and credit support. The airline has had at three changes at the top leadership level in the last 5 years in a bid to revise fortunes and steer KQ back to profitability. There has been a lot of speculation on the real cause of this change of fortunes with some analysts blaming this on Ebola epidemic, fuel hedging and employee performance. The change of management and strategies saw many employees face job termination and early retirement to enable the organization to restructure its operations. This was not taken lightly by the employees and they even went on go slows and thus affecting the organizations operations. This could have been attributed to by poor human resource management practices in the organization and thus affected employee performance in furtherance the organizational performance at large. This study therefore seeks to establish if there is any effect of high-performance work practices on employee performance at Kenya Airways.

Researchers such Njoroge and Kawasira (2015) examined influence between reward management on impact on employee performance at Nakuru County govt while Jagero, Komba and Mlingi (2012) concentrated on the relationship between at work training and employee performance in Courier organizations in Dar es Salaam, Tanzania. Athar and Shah (2015) determined the factors that impact training in banks of Karachi and how they affect employee performance. The study observed how training needs were established, how effective the training methods of banks and their influence of employee performance. Dharmasena and Dhammika (2015) conducted a study to explore the relationship between impacts of employee relations on employee performance in Timex garments (Pvt) Ltd. Sequeira and Dhriti (2015) did a study on employee relations and its impact on employee performance. All these studies have focused on only one construct; however, this study will focus on four constructs of high-performance work practices namely reward management, performance management, training and development and employee relations. Globally, very little research has been carried out on effects of high-performance work practices on employee performance in the aviation industry despite the industry being characterized by stringent regulations and time-pressure. Quasar (2016) focused on effect of training on employee performance among small carriers in Europe. This researcher sought to carry out a study within the African aviation context and at Kenya Airways where this area of study had not been extensively covered.

3. Objectives of the study

i. To determine the effect of reward management on employee performance at Kenya Airways
ii. To establish the effect of performance management on employee performance at Kenya Airways
iii. To assess the effect of training and development on employee performance at Kenya Airways
iv. To determine the effect of employee relations and employee performance at Kenya Airways
4. Theoretical Review

Theories relevant to high performance work practices are reviewed in this section. They include ability, motivation, and opportunity theory of performance (AMO Theory), resource-based theory and social exchange theory.

4.1 Ability, Motivation and Opportunity Theory of Performance (AMO Theory)

The core objective of HPWPS is to impact attitudes and behaviors of employees in such a manner that individual performance is enhanced (Arthur, 1994; Schuler & Jackson, 1987). In general, HPWPS enhance employee skills, commitment and productivity (Appelbaum et al., 2000; Datta et al., 2005; Pfeffer, 1998). To define the practices which characterize HPWPs, most scholars refer to the ability, motivation and opportunity theory of performance (AMO theory) by Appelbaum et al. (2000). This theory states that organizational performance is dependent on the ability, motivation and opportunity of employees. The ability component refers to the employee’s ability to perform by providing a formal selection program and extensive employee training. More specifically, the role of HRM is to select employees with the right abilities for a specific job. Based on the formal selection process, the right employees can be hired which results in further enhancement of the employee’s abilities by the implementation of training programs (Appelbaum et al., 2000). The second component is motivation, which suggests that employees should be motivated to perform by implementing practices such as performance-based pay and decent promotion systems. These incentives motivate employees to perform adequately (Appelbaum et al., 2000). The last component, opportunity, suggests that employees should receive the opportunity to perform by realizing practices like involvement and autonomy in work. In other words, employees should receive responsibility to process information, turn these into solutions and make decisions based on these. For instance, a greater amount of autonomy enhances organizational performance (Appelbaum et al., 2000). In accordance with the AMO theory, HPWPS include three different forms performance enhancement practices: ability-enhancing practices, motivation-enhancing practices and opportunity-enhancing practices (Appelbaum et al., 2000).

The AMO-theory conceive consensus by creating a model that grasps all used definitions by different researchers (Ogbonnaya, 2017). This model consists of three separate dimensions namely: ability, motivation and opportunity (Ogbonnaya, 2017). Examples of possible practices belonging to ability are practices that improve employees’ work-related abilities, such as staff training and selective hiring (Ogbonnaya et al., 2017). Furthermore, career development, performance related pay and supportive management are examples of motivation. These practices help employees to find the motivation in themselves to go for the extra mile (Ogbonnaya et al., 2017). When employees are able and motivated to perform at a higher level, they still miss opportunities to accomplish this higher performance. And also, opportunity has examples, like job autonomy, team working and participative decision making (Ogbonnaya et al., 2017). This theory thus helps this study in defining the HPWPs and for the purpose of this study it uses reward management, performance management, training and development and employee relations as the dimensions of HPWPs. The theory supports the role of HPWPs hence the anchoring theory that supports all the dimensions of HPWPs. This theory explains how the HPWS functions from the individual employee’s perspective.

4.2 Resource Based Theory

Resource-based theory specifies that organizations differ in their unique bundles of resources and capabilities (Peteraf & Barney, 2003). This peculiarity could lead to different performance
outcomes and differentiation of successful and unsuccessful organizations. Thus, the organizations will make every effort to deploy existing resources and capabilities to maximize performance, and, at the same time, further develop resources in order to remain competitive (Shuen, 2004), trying to prevent competitors from imitating valuable resources (Teece et al., 2001). Intangible resources embedded in human capital and combined with other tangible resources in a supplementary fashion are very likely to generate value for the firms. Resource-based theory suggests that resources that are valuable, rare, difficult to imitate, and non-substitutable best position a firm for long-term success. These strategic resources can provide the foundation to develop firm capabilities that can lead to superior performance over time. Capabilities are needed to bundle, manage, and otherwise exploit resources in a manner that provides value added to customers and creates advantages over competitors. Human capital is one of these strategic resources in a firm and thus should be treated well in order to remain productive in the firm.

The resource-based view of the firm (RBV) focuses on organizational features—resources—that are the basis of competitive strength if exploited properly. Subsequent developments of this theory focused on the importance of the unique, often hidden, aspects of an organization, such as tacit knowledge, or the things that it has learnt to do, in understanding differences between firms (Barney, 2007). Because tacit knowledge is unknown, it is hard to codify or write down, and therefore almost impossible for competitors to acquire or replicate. Moreover, if a firm starts earlier than competitors, it may be able to build up advantages that they will have difficulty in overcoming. Resource—based view of the firm is a model that can be used to analyze a firm’s strengths and weaknesses. It focuses on the idiosyncratic, costly-to-copy resources controlled by a firm—resource whose exploitation may give a firm competitive advantage. This approach to studying a firm’s internal strengths and weaknesses rests in two fundamental assumptions. First, building on Penrose’ work, this work assumes that the firm can be thought of as bundle of productive resources and that different firm’s posse’s different bundle of these resources. This is the assumption of firm resource heterogeneity: the approach assumes that some of these resources are either very costly to copy or inelastic in supply. This is the assumption of resource immobility.

In order to explain how the performance effects of HPWPs might reveal and translate in practice and why organizations use HPWPs, the Resource Based View (RBV) provides a solution (Tregaskis, Daniels, Glover, Butler, & Meyer, 2013). According to the RBV, organizations can create a competitive advantage by gathering resources that are rare, inimitable, and non-substitutable (Barney, 1991). HPWPs can give an organization a competitive advantage by promoting valuable and exclusive contributions from their employees with a system of human resource practices that are hard to imitate (Tregaskis et al., 2013). One way to achieve such valuable and exclusive contributions by employees is by motivating them to put in more effort than necessary or described in their job description with for example performance related pay or career development opportunities (Tregaskis et al., 2013). However, the RBV is more concerned with the performance outcomes of the organization (Tregaskis et al., 2013), while the aim of this research is the employee view of HPWPs. Therefore, in this review another theory used, which explained the HPWPs from an employee point of view namely: The Social Exchange Theory (Tregaskis et al., 2013).

4.3 Social Exchange Theory

Social exchange theory was introduced in 1959 by Thibaut and Kelley. This theory is based on the premise that people are social beings, and, in any social relation, there are exchanges
between the parties involved. The most significant characteristic of social exchange is reciprocity, whereby positive and fair exchanges between two parties (individuals or groups) result in favorable behaviours and attitudes (Cropanzano and Mitchell 2005). Employees experience social exchange relationships with their colleagues, customers, suppliers, direct supervisor, and their organization (Masterson, Lewis, Goldman & Taylor, 2000). Each of these relationships has cognitive, emotional, and behavioural implications whereby employees reciprocate the socio emotional benefits they receive (Blau 1964; Cropanzano and Mitchell 2005). Consequently, one of the most important aspects of an employee’s professional life is the relationships they experience within the boundaries of their organization (Gersick et al., 2000; Masterson et al., 2000). Relationships play a critical role in shaping work environments (Bartunek and Dutton 2000). Work environments can have either a positive or negative effect on the amount of value, support, and identification an employee derives from their professional life (Gersick et al., 2000).

Social exchange theory consists of similar perspectives to service-dominant logic; a cognitive framework used to underpin the exchange of value co-creation between organizations and their customers (Karpen, Bove, and Lukas 2011). Vargo and Lusch (2011) extend service-dominant logic to include all parties (e.g., employees) that exchange resources of value to develop favourable cognitions, emotions, and behaviours to achieve mutual benefit for individuals, customers, organizations, and societies. This theory is based on the assumption that an employee has the desire to maximize their positive experience and to minimize their negative ones (Thibaut & Kelley, 1959). From this perspective employees only participate in certain tasks if they experience it as sufficiently favorable. HPWPs can give employees certain benefits such as the opportunity to develop new skills, or the autonomy to influence their work (Tregaskis et al., 2013). In return, employees increase their effort beyond the original narrow job description and in this way increase the organizational competitive advantage (Tregaskis et al., 2013).

5. Conceptual Framework

Conceptual framework is a brief explanation of the incidents under the study illustrated in a diagram showing the relationship amongst the study variables of the study as shown in Figure 1. The outline indicates employee performance as the dependent variable, while high performance work practices is the independent variables. The high-performance work practices will be reward management, performance management, training and development and employee relations.
Independent Variables

**Reward Management**
- Salaries and Wages
- Fringe benefits

**Performance Management**
- Performance objectives
- Performance review process

**Training and Development**
- Technical training programs
- Career Development programs

**Employee relations**
- Staff welfare facilities
- Staff disciplinary Procedure

Dependent Variables

**Employee performance**
- Technical skills
- Quality of work
- Customer satisfaction

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Figure 1: Conceptual Framework
Source: Researcher (2020)

6. Research Methodology

A descriptive survey design was therefore be utilized in this study. Sekaran and Bougie (2011) says that a descriptive study is undertaken in order to ascertain and be able to describe the characteristics of the variables of interest in a situation. A descriptive survey focuses on the research design and is concerned with addressing the characteristics of a specific population of subjects, either at a fixed point in time or at varying times for comparative purposes. As such they do not share the emphasis in analytic designs upon control, but they do share a concern to secure a representative sample of the relevant population. The choice of the descriptive survey research design was made based on the fact that in the study, the researcher was interested on the state of affairs already existing in the field and no variable was manipulated. A questionnaire was designed and administered to assess the effects of high-performance work practices on employee performance. Target population consists of all members of a real or hypothetical set of people events or objects from which a researcher wishes to generalize the results of their research while accessible population consists of all the individuals who realistically could be included in the sample (Borg & Gall, 2007). The target population for this study therefore was all employees in Kenya Airways. There were 3582 employees as at January 2019.
This study used stratified random sampling to select participants from the different departments of Kenya Airways. There were 3582 employees in Kenya Airways and thus the sample size was determined by the Kothari (2013) formula for calculating small sample sizes.

\[ n = \frac{Z^2 \cdot p \cdot q \cdot N}{e^2 (N - 1) + Z^2 \cdot p \cdot q} \]

Where:  
- \( n \) = Sample size for a finite population,
- \( N \) = size of population which was the number of employees (3582)
- \( p \) = population reliability (or frequency estimated for a sample of size \( n \)), where \( p = 0.5 \) which was taken for all employees population and \( p + q = 1 \)
- \( e \) = margin of error considered was 5% for this study.
- \( Z_{\alpha/2} \) = normal reduced variable at 0.05 level of significance \( z \) was 1.96
- \( e \) = Precision level desired or the significance level which was 0.1 (10%) for the study

\[ n = \frac{(1.96)^2 \times 0.5 \times 0.5 \times 3582}{(0.05)^2 (3582 - 1) + [(1.96)^2 \times 0.5 \times 0.5]} = 347 \]

A total of 347 employees were selected and distributed as shown in the sample size table as follows:

This study used primary data specifically by use of questionnaires. Questionnaire was a document that consists of several questions printed or typed in a definite order on a form or set of forms. Questionnaires have various merits like; there is low cost even when the universe is large and is widely spread geographically; it is free from the bias of the interviewer; answers are in respondents’ own words; respondents have adequate time to give well thought out answers; respondents who are not easily approachable can also be reached conveniently; large samples can be made use of and thus the results can be made more dependable and reliable. In view of the advantages and the need to gather more information a combination of open and closed ended questionnaires were administered to management, supervisors and non-managerial staff in Kenya Airways. Data for this study was collected through self-administered questionnaires. The questionnaires were sent to respondents with an introduction letter accompanied by an authorization letter from Kenyatta University Graduate School. Secondly, the researcher obtained the necessary clearance from the National Council of Science and Technology and finally obtained consent to participate in the study from the Kenya Airway’s administration and management. Questionnaires were administered by trained research assistants to gather data. Three hundred and forty-seven (347) questionnaires were distributed to the management, supervisors and non-managerial staff in Kenya Airways. The researcher used drop and pick later method to give employee ample time to respond appropriately. To determine the patterns revealed in the data collected regarding the selected variables, data analysis was guided by the aims and objectives of the research and the measurement of the data collected. Information was sorted, coded and input into the statistical package for social sciences (SPSS) for production of graphs, tables, descriptive statistics and inferential statistics. A multiple regression model was used to test the significance of the influence of the independent variables on the dependent variable.
7. Inferential Statistics

This section presented the correlation and regression analysis.

**Table 1: Bivariate Correlation**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Employee Performance</th>
<th>Reward Management</th>
<th>Performance Management</th>
<th>Training and Development</th>
<th>Employee Relations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employee Performance</strong></td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.761**</td>
<td><strong>1</strong></td>
<td><strong>0.801</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reward Management</strong></td>
<td>Pearson Correlation</td>
<td><strong>0.761</strong></td>
<td><strong>0.801</strong></td>
<td><strong>0.662</strong></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td><strong>0.000</strong></td>
<td><strong>0.000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Performance Management</strong></td>
<td>Pearson Correlation</td>
<td>0.686**</td>
<td><strong>0.607</strong></td>
<td><strong>0.662</strong></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td><strong>0.000</strong></td>
<td><strong>0.000</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Training and Development</strong></td>
<td>Pearson Correlation</td>
<td>0.732**</td>
<td><strong>0.634</strong></td>
<td><strong>0.740</strong></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
<td><strong>0.000</strong></td>
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**Correlation is significant at the 0.01 level (2-tailed).**

Table 1 displays the results of correlation test analysis between the dependent variable (employee performance) and independent variables and also correlation among the independent variables themselves. Results indicated that there was a positive and significant relationship between employee performance and all the independent variables. This reveals that any positive change in reward management, performance management, training and development, and employee relations leads to improved employee performance.

The results indicated that there exists a positive and significant \((r=0.761, p<0.000)\) correlation between reward management and employee performance. The correlation between the variables indicates that improved employee performance would be associated with increase in reward management effectiveness as indicated by a positive correlation between the two variables. Results also indicated that there exist a positive and significant \((r=0.761, p>0.000)\) correlation between employee performance and performance management. The correlation between the variables indicates that if performance management is improved and enhanced
then this would be associated with increased employee performance as indicated by a positive correlation between the two variables.

Table 1 further shows the correlation results which indicate that there was a positive and significant relationship between training and development and employee performance at Kenya Airways. This reveals that any positive change in training and development led to improved employee performance. The relationship has been illustrated by the correlation co-efficient of 0.686, implying a positive relationship between training and development and employee performance. This was also evidenced by the p value of 0.000 which is less than that of critical value (0.05). The findings imply that an increase in training and development effectiveness in Kenya Airways will increase the performance of employees at Kenya Airways. Finally, the results indicated that there exist a positive and significant (r=0.732, p>0.000) correlation between employee performance and employee relations. The correlation between the variables indicates that if employee relations effectiveness is improved and enhanced then this would be associated with improved employee performance and productivity as indicated by a positive correlation between the two variables.

To establish the statistical significance of the independent variables on the dependent variable (employee performance) regression analysis was employed. The results presented in the Table 2 below indicate that the goodness of fit for the regression of independent variables and employee performance was satisfactory. An R squared of 0.704 indicates that 70.4% of the variations in employee performance at Kenya Airways are jointly accounted for by the variations in reward management, performance management, training and development as well as employee relations. From this it can thus be asserted that the variables adopted in the study jointly explained a greater proportion of the variation in employee performance at Aviation industry in Kenya and that the unexplained variation is small. This therefore implies that all firms should promote and enhance high performance management practices so as to have improved employee performance, job satisfaction and high productivity. From the model summary table below adjusted R² was 0.699 this indicates that the combined effect of predictor variables (reward management, performance management, training and development, employee relations) explains 69.9% of variations in employee performance. The correlation coefficient of 83.9% indicates that the combined effect of the predictor variables has a strong and positive correlation with employee performance. This also meant that a change in the drivers of employee performance (reward management, performance management, training and development, employee relations) has a strong and a positive effect on employee performance.

Table 2: Regression Model Fitness

<table>
<thead>
<tr>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
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<tbody>
<tr>
<td>.839a</td>
<td>0.704</td>
<td>0.699</td>
<td>0.46137</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Employee Relations, Reward Management, Training and Development, Performance Management

Prior to estimation of the regression model the goodness of fit was performed and the results are presented in the Table 2 below where the results indicated that the overall model was significant, that is, reward management, performance management, training and development, employee relations are good joint explanatory variables for employee performance (F = 157.998, p-value=0.000). The findings imply that all the independent variables were
statistically significant in explaining changes in employee performance. This is demonstrated by a p value of 0.000 which is less that the acceptance critical value of 0.05.

Table 3: Analysis of Variance (ANOVA)

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>134.525</td>
<td>4</td>
<td>33.631</td>
<td>157.998</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>56.621</td>
<td>266</td>
<td>0.213</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>191.146</td>
<td>270</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a Dependent Variable: Employee Performance  
*b Predictors: (Constant), Employee Relations, Reward Management, Training and Development, Performance Management

Table 2 displays the regression coefficients of the independent variables. Regression results indicated that the relationship between reward management and employee performance was positive and significant (beta=0.393, p value, 0.000). This implies that an increase in reward management by 1 unit leads to improved employee performance at a rate of 39.3 percent. Results further indicate that performance management and employee performance had a positive and significant relationship (beta=0.220 p value0.012). This implies that one percentage change in performance management effectiveness is associated with 22 percentage increase in employee performance. The study findings also indicated that training and development had a positive and significant relationship with employee performance (beta=0.180, p value, 0.001). The findings imply that one positive unit change in training and development effectiveness led to a change in employee performance at the rate of 0.18. Finally, the study findings indicated that employee relations had a positive and significant relationship with employee performance (beta=0.289, p value, 0.000). This implies that one positive unit change in employee relations management led to a change in employee performance at a rate of 0.289 units.

The regression equation obtained from this output was: Employee Performance = 0.466 + 0.393 Reward management + 0.22 performance management + 0.18 Training + 0.289 Employee relations + ε

Table 4: Regression Coefficients

<table>
<thead>
<tr>
<th>Variable</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>Constant</td>
<td>0.466</td>
<td>0.181</td>
</tr>
<tr>
<td>Reward Management</td>
<td>0.393</td>
<td>0.061</td>
</tr>
<tr>
<td>Performance Management</td>
<td>0.22</td>
<td>0.087</td>
</tr>
<tr>
<td>Training and Development</td>
<td>0.18</td>
<td>0.055</td>
</tr>
<tr>
<td>Employee Relations</td>
<td>0.289</td>
<td>0.069</td>
</tr>
</tbody>
</table>

*a Dependent Variable: Employee Performance
8. Conclusions

Based on the results of this study, the adoption of high-performance work practices by Kenya Airways could be concluded that these practices influenced employee performance. Reward management, performance management, training and development, and employee relations had a positive effect on employee performance. High performance work practices are management approach in which firms rely on especially on employee contributions to succeed in the achievement of business goals. Firms can generate competitive advantage through improving employees’ ability, motivation and provide employees opportunities to participate in value creation, which will result in higher productivity and better organizational performance. It can therefore be concluded that in high performance work systems, workers become more skilled and better prepared to perform their duties. This improves labor productivity. Moreover, HPWPs are conceived as employee- centered work practices, which lead to increased workers motivation and satisfaction.

The study concludes that there is a general direct/positive relationship between reward management and employee performance. Based on the findings of this study, it was revealed that employee rewards affect the motivation of employees which in turn influences the firm’s performance. This infers that reward management was an important factor and it influenced positively employees’ performance in Kenya Airways. It is therefore possible to conclude that reward management is a very critical and central activity in the human resource management function in any organization. The study concludes that performance management had a positive and significant effect on employee performance. Effective feedback on performance measurement may translate to improved employee productivity. Feedback enables the employees to be aware of what exactly is expected from them. An effective performance feedback reflects the contribution of the individual employee performance and their level of efficacy in the attainment of the organization goals. Effective performance feedback between employees and supervisors is the key to successful organization productivity. Adequate feedback builds accountability, since employees and supervisors participate in developing goals, identifying competencies, discussing career development and employee motivation.

The study concludes that better employee’s performance is because of training and development. Training and development are of importance since it helps eliminate job discrepancies by defining what is expected of each employee and equipping them to perform that which is expected of them well. The results indicated that employee participation in training and the company had good and clear policies regarding training and development as most of the respondents indicated that they had participated in training. The study concludes that employee relations influences employee performance positively. Maintaining harmonious relations is very important for the survival, prosperity, and growth of the organization. Good and healthy employee relations lead to better organizational performance. The study found that the organization is aware of the benefits of maintaining good employee relations and correct remedial actions to minimize poor employee relations in the organization. Similarly, the study found that there is a positive significant relationship between employee relations and employee performance and further improve organizational performance.

9. Recommendations

The results of this study have helped to determine the crucial role of HPWPs on employee performance and therefore recommend that organizations focus on the use of these practices to be able to achieve and meet their set targets, mission, and vision and be able to sustain
themselves in the competitive global market. Additionally, the study established that reward management positively and significantly influenced the Employees’ performance in Kenya Airways to a great extent. In this regard, the study recommends that top management of Kenya Airways come up with the best methods of rewarding employees to increase and to foster performance of Kenya Airways. This can be done by paying particular attention by involving employees through better management and ensuring there is employee motivation both internal and external equity.

Performance management helps the employee know what they are supposed to do and if they are doing it correctly. The study therefore recommends that effective performance management measures and feedback should be used by an organization to meet the organization target. There should be an effective performance feedback that would translate into improved employee productivity. Feedback enables the employees to be aware of what exactly is expected from them. It is important to communicate and discuss employee performance for enhanced productivity. Performance feedback must be free from errors based on the personal bias like stereotyping to have a positive effect on employee productivity. An effective performance feedback should reflect the contribution of the individual employee performance. There should be a formal evaluation system and the managers to apply the systems in place to accept the performance scores. Adequate performance feedback should build accountability for enhance employee productivity.

Employers, managers and decision makers should endeavor to create enabling training environment and favorable training policies that will give every worker opportunity to attend training. Management should also take into consideration the training need of each workers and act as appropriate. The employer should design strategies pertains to training and development of employees in their organization and before carrying out the training programs. These strategic approaches should be adopted to ensure that training programs are consistent with the overall objectives of the organizations. The study recommends that organizations should create open systems where employees participate in decisions in order for good employee relations to prevail hence, good performance. The study further recommended that workable employee relations policies should be formulated and implemented for all managers to be aware of how to deal with matters of employee relations.

REFERENCES


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