

**SOCIALPROTECTION STRATEGIES AND  
ORGANIZATIONALPERFORMANCE INTEA SECTOR INNANDI COUNTY,  
KENYA**

**Pius Kipkemboi Serem**

**A Thesis Submitted in Partial Fulfilment of The Requirements for the Award of  
Masters in Business Administration (Strategic Management) of Masinde Muliro  
Universityof Science and Technology**

**May, 2021**

## DECLARATION

### Declaration by the Student;

This thesis is my original work prepared with no other than the indicated sources and support and has not been presented elsewhere for a degree or any other award.

\_\_\_\_\_ Date \_\_\_\_\_

**PIUS KIPKEMBOI SEREM**

**MBAG/10-57473/16**

### CERTIFICATION

The undersigned certify that they have read and hereby recommend for the acceptance of Masinde Muliro University of Science and Technology a thesis entitled, “**SOCIAL PROTECTION STRATEGIES AND ORGANIZATIONAL PERFORMANCE IN TEA SECTOR IN NANDI COUNTY, KENYA**”.

\_\_\_\_\_ Date \_\_\_\_\_

**DR. Willis Otuya**

Department of Business and Management Science

MasindeMuliro University of Science and Technology

\_\_\_\_\_ Date \_\_\_\_\_

**Dr. Evans Kwendo**

Department of Business and Management Science

MasindeMuliro University of Science and Technology

## **ACKNOWLEDGEMENT**

I would like to take this opportunity to first and foremost thank the Almighty God for giving me providence of life and enabling me reach this far.

Secondly, I recognize the input and great assistance put by my supervisors Dr. Willis Otuya and Dr Evans Kwendo for going through my thesis and their devotion to ensure that this thesis is worth for presentation. It is through their devotion that this research has reached this level.

Thirdly, special thanks goes to my parents, children, my brothers and sisters and friends who in one way or another encouraged and supported me God bless you all.

I would also wish to thank my colleagues at Nandi County government for their support during the period of my study.

Further, I am indebted to MasindeMuliro University Management for having started the Campus at Kapsabet town, it is through which I got the opportunity to undertake my post graduate studies. Finally, I will like to appreciate my lecturers and post graduate students of MasindeMuliro University of Science and Technology for their input in this study.

## ABSTRACT

Social welfare is an essential element to any employee in organization. Employee welfare has raised unprecedented challenges between the employer and the employees leading to industrial unrest activities which are directed towards providing the employees with certain facilities and comfort geared towards improvement of employee's wellbeing. The study sought to; establish the relationship between employee welfare strategies and performance; to determine the labour market strategies and their influence on organizational performance of tea firms in Nandi County, it also to examine the effect of micro – area based schemes on organizational performance of tea firms in Nandi County Kenya, to assess the moderating effect of the government policy on social protection strategies and its effect on performance of tea firms in Nandi County. The study was grounded by Functional Theory of labour welfare and Social capital Theory. The study adopted a correlational research design to answer research problem. The target population was 475 employees in Nandi County. Stratified random sampling was used to get a sample size of 214 employees from tea firms in Nandi County. Data was collected using structured questionnaires. Validity and reliability of instruments results was established before the actual study. Data was analysed using both descriptive and inferential statistics. The descriptive statistics encompassed determination of frequency, means and standard deviations while for inferential statistics the study used Pearson correlation and regression analysis. Regression analysis included simple, multiple and hierarchical linear regression to examine moderating effects of government policies. The SPSS Version 24 was used to aid in the data analysis. The findings revealed that Labour market strategies have significant positive influence on organizational performance. Similar results were obtained for Micro finance services while Social assistance and welfare programs has positive but insignificant influence on performance of employees in tea firms in Nandi County. Therefore, employee welfare strategies affected their performance at tea firms in Nandi County. Study findings indicated that government Policy has a significant effect on social protection strategies and performance of tea firms in Nandi County. The study concluded social protection strategies have significant influence on organizational performance in the Tea Sector in Nandi County.

## **ABBREVIATIONS AND ACRONYMS**

ACRWC:	African Charter on the Rights and Welfare of the Child
EPZ:	Export Processing Zones
GDP:	Gross Domestic Products
HIV/AIDS:	Human immunodeficiency virus, acquired immunodeficiency syndrome
HSNP:	Hunger Safety Net Programme
ILO:	International Labour Organization
NHIF:	National Health Insurance Fund
NSC:	National Steering Committee
NSPP:	National Social Protection Policy
OPCT:	Older Persons Cash Transfer
OVC:	Orphans and Vulnerable Children
PWSD-CT:	Persons with Severe Disability Cash Transfer
UN:	United Nations
UNCRC:	United Nations Convention on the Rights of the Child
UNICEF:	United Nations Children's Fund
UNRC:	United Nations Resident Coordinator

## OPERATIONAL DEFINITION OF TERMS

**Government Policy:** In the study this refers to the regulation put in place by the government and the government agencies to facilitate the social protection strategies.

**Labour market strategies:** This refers to government programmes that intervene in the labour market to help the unemployed find work. Demand-side policies are policies used by the government to control the level of Aggregate demand

**Social assistance:** These involve payments for food, clothing and refuges to clients and to third-party individuals based on a form of need or income measure.

**Social protection:** It refers to individuals and households that are economically stable, even in the face of shortages and emergencies when it comes to health care access and protection at work. This is especially significant in the informal economy for disadvantaged and marginalized sectors of the population. They typically need the most help and security, but they are the least secure.

## **TABLE OF CONTENTS**

<b>DECLARATION.....</b>	<b>ii</b>
<b>ACKNOWLEDGEMENT.....</b>	<b>iii</b>
<b>ABSTRACT.....</b>	<b>iv</b>
<b>ABBREVIATIONS AND ACRONYMS.....</b>	<b>v</b>
<b>OPERATIONAL DEFINITION OF TERMS.....</b>	<b>vi</b>
<b>TABLE OF CONTENTS .....</b>	<b>vii</b>
<b>LIST OF TABLES .....</b>	<b>xi</b>
<b>LIST OF FIGURES .....</b>	<b>xiii</b>
<b>LIST OF APPENDICES .....</b>	<b>xiv</b>
<b>CHAPTER ONE:INTRODUCTION.....</b>	<b>1</b>
1.1 Background of the Study .....	1
1.1.2Employee Welfare Programme.....	5
1.1.3Organizational performance.....	6
1.2 Statement of the Problem.....	9
1.3 Objectives of the Study.....	10
1.3.1General Objective .....	10
1.3.2Specific Objectives .....	10
1.4 Research Hypotheses .....	10
1.5 Scope of the Study .....	11
1.6 Significance of the Study .....	11
1.7 Conceptual Framework.....	12
<b>CHAPTER TWO:LITERATURE REVIEW.....</b>	<b>16</b>
2.0 Introduction.....	16
2.1 Theoretical Framework.....	16

2.1.1 Concepts of Employee Social Protections .....	16
2.1.2 Concept of Performance .....	17
2.2 Theoretical Review .....	18
2.2.1 Functional Theory of Labour Welfare .....	19
2.2.2 Social Capital Theory .....	20
2.3 Empirical Review.....	22
2.3.1 Labour Market Strategies and Organization Performance.....	22
2.3.2 Social Assistance and Welfare strategies and performance.....	27
2.3.3 Micro area based programs .....	32
2.3.4 Government policy.....	34
2.4 Knowledge Gap .....	35
2.5 Summary of Research Gaps from Empirical Literature .....	35
<b>CHAPTER THREE: RESEARCH METHODOLOGY .....</b>	<b>38</b>
3.1 Introduction.....	38
3.2 Research Design.....	38
3.3 Study Area .....	38
3.4 Population of the Study.....	39
3.4 Sampling Technique and Sample Size.....	40
3.5 Data Collection Instruments .....	41
3.6 Pre-testing of Research Instruments .....	42
3.6.1 Validity of the Research Instrument .....	42
3.6.2 Reliability of the Research Instrument .....	43
3.7 Data Collection Procedures.....	43
3.8 Data Processing and Analysis .....	43
3.8.1 Hypothesis testing .....	45

3.9 Ethical Considerations .....	46
<b>CHAPTER FOUR:DATA ANALYSIS, INTERPRETATION AND DISCUSSION .....</b>	<b>48</b>
4.1 Introduction.....	48
4.2 Response Rate.....	48
4.3 Reliability and validity tests.....	49
4.4 Demographic Characteristics of the respondents.....	52
4.5 Descriptive Statistics.....	54
4.5.1 Labour market strategies .....	54
4.5.2 Social Assistance and Welfare Service Strategy .....	56
4.5.3 Micro Finance Services.....	57
4.5.4 Government Policy .....	59
4.5.5 Performance of the Nandi Tea Estates.....	62
4.6 Correlation analysis .....	64
Table 4.12: Correlation analysis of the study variables.....	65
4.7 Diagnostic Test for Linear Regression Analyses.....	66
4.7.1 Normality Tests.....	66
4.7.2 Auto-correlation.....	71
4.7.3Collinearity Tests .....	72
4.8 Simple Linear Regression Analyses .....	72
4.8.1 Labour market strategies and Performance.....	73
4.8.2 Social Assistance and Welfare Programs and performance .....	76
4.8.3 Micro finance services and performance .....	80
4.9 Multiple Linear Regression.....	82
Table 4.26: Coefficients.....	84

4.10 Hierarchical Linear Regression.....	88
4.11 Stepwise Regression .....	95
<b>CHAPTER FIVE:SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS.....</b>	<b>97</b>
5.1 Introduction.....	97
5.2 Summary of Findings.....	97
5.2.1 Influence of Labour market strategies on Performance of Tea Firms .....	97
5.2.2 Influence of Social Assistance and Welfare Programs on Performance of Tea Firms .....	98
5.2.3 Influence of Labour market strategies on Performance of Tea Firms .....	98
5.2.4 Influence of Labour market strategies on Performance of Tea Firms .....	99
5.3 Conclusion .....	100
5.4 Recommendations of the Study .....	101
<b>REFERENCES.....</b>	<b>103</b>
<b>APPENDICES.....</b>	<b>114</b>

## LIST OF TABLES

Table 2.1: Summary of Research Gaps from Empirical Literature .....	35
Table 3.2 Sample Distribution Table.....	41
Table 4. 1: Questionnaire Return Rate.....	49
Table 4. 2: Reliability test.....	50
Table 4. 3: Test for validity.....	50
Table 4. 4: Factor Loadings for Performance .....	51
Table 4. 5: Test Items Dropped.....	52
Table 4. 6: Demographics of the Respondents .....	53
Table 4. 7: Descriptive Statistics on Labour Market Policy .....	55
Table 4. 8: Descriptive Statistics on Social Assistance and Welfare Programs .....	56
Table 4. 9: Descriptive Statistics for Micro Finance Services.....	58
Table 4. 10: Descriptive on Government Policy.....	60
Table 4. 11: Performance of the Nandi Tea Estates.....	63
Table 4. 12: Correlation analysis of the study variables .....	65
Table 4. 13: Autocorrelation Test for Regression.....	71
Table 4. 14: Summary table on Collinearity tests.....	72
Table 4. 15: Model Summary .....	73
Table 4. 16: ANOVA test .....	74
Table 4. 17: Coefficients of the Model .....	74
Table 4. 18: Model Summary .....	76
Table 4. 19: ANOVA test .....	77
Table 4. 20: Coefficients of the Model .....	77
Table 4. 21: Model Summary .....	80
Table 4. 22: ANOVA test .....	80

Table 4. 23: Coefficients of the Model .....	81
Table 4. 24: Model Summary .....	83
Table 4. 25: ANOVA Table.....	83
Table 4. 26: Coefficients.....	84
Table 4.27: Multiple regression results.....	90
Table 4. 28: Regression Coefficient of Moderating Effect.....	93
Table 4. 29: Stepwise Regression .....	96

## LIST OF FIGURES

Fig 1.1: Conceptual Framework.....	13
Figure 4. 1: Normal Q-Q plot of Labour market strategies .....	67
Figure 4. 2: Normal Q-Q plot of social assistance and welfare service strategy .....	68
Figure 4. 3: Normal Q-Q plot of micro – area based schemes .....	69
Figure 4. 4: Normal Q-Q plot of government policy .....	70
Figure 4. 5: Normal Q-Q plot of Performance.....	71

**LIST OF APPENDICES**

**APPENDIX I: LETTER OF INTRODUCTION .....114**

**APPENDIX II: QUESTIONNAIRE .....115**

**APPENDIX IV: FACTOR ANALYSIS .....120**

**APPENDIX V: DIRECTORATE POSTGRADUTE STUDIES  
LETTER.....120**

**APPENDIX VI: RESEARCH LETTER FROM  
NACOSTI.....121**

# **CHAPTER ONE**

## **INTRODUCTION**

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

Social protection for employees is an integral component in almost every organization. The employees need to be given total assurance of their job securities by the management of these business organizations to ensure they work in a well-protected environment and future assurance of their social welfare. The overall topic on social protection of employees is a vast topic that touches on a wide range of literature including its definition, explanation, identification, its relation on the theoretical and empirical framework analysis(Blair-Loy & Wharton, 2002). There are key lessons that can be learnt from the general employee social protection. The identification of the policy options emanating from the understanding of the reality of the vulnerabilities of the poor and their assets can be used to mobilise individuals and communities all the same. The range of social protection policies and its instruments need to be integrated to come up with a striking and appropriate balance between the efforts designed to reduce, curb or cope with the shocks. The social protection need to be designed to provide basic material needs that can be used to foster the inclusion of recipients in the mainstream society.

U.S. social protection strategies fit into 13 large categories which are listed and described below. According to Luthans (2012), all U.S. welfare programs provide benefits to low income individuals and families. The programs represent entitlements to all Americans but benefits are only paid to individuals and families with low income. The types of welfare available to individuals in the United States vary from

state to state. However, most states offer basic aid such as health care, food stamps, child care assistance, unemployment, cash aid, and housing assistance.

According to Luthans (2012), in developing countries such as Bangladesh, the private sector characterized by higher salary, supervision, recognition of good work and healthy relationship with the colleagues yielding congenial working atmosphere. Employees are a valuable resource that may contribute in several different ways to a company's activities provided that the company gives them an appropriate chance. In order to be successful a company needs employees who act towards the goals of the organization and have a strong desire to remain in the company (Luthans, 2012). Such loyalty and commitment may be generated by motivation. Furthermore motivation is aimed to achieve increased job satisfaction (Schultz & Schultz, 2008). Luthans (2012) acknowledges that building a high commitment organization is not easy and that CEOs are often too busy or distracted to focus on the people.

North African countries' Labour market strategies have produced a dual labour market, characterised by vast inequalities between formal and informal sector workers and between large and small firms. The employment situation in Ghana has not improved much despite better economic growth performance, therefore, the Ministry of Employment and Labour Relations and its Social Partners have been working in close collaboration to develop a comprehensive policy that will give direction to addressing the employment challenges in Ghana. In Nigeria, institutional and regulatory framework covering the establishment and protection of workers' right, protection of the vulnerable workers, enforcement of minimum wage compensation, and provision of decent working conditions among others are weak (Okoronkwo 2008).

Private sector in Kenya offers various welfare programs to their employees. Social welfare protection offered to employees can be in the form of insurance and assistance programs. Further, Assistance comes in the form of old age pensions, survivor benefits, family allowances or other support. Social assistance entails public action designed to transfer resources to groups considered to be eligible due to deprivation. Deprivation is defined as low income or in consideration with other social nutritional status. On the other hand, social insurance is a social security influenced by the contributions based on the insurance principle. The principle entails the individuals or the households and the entire protection they received against the risks they face particularly on the poor resources with a huge number of similarly exposed individuals or the households. From this perspective, it can be depicted that social protection is a field of policy and actions that takes care of other programs and approaches which seek to deliver assistance to the poor or strengthen the livelihoods of the poor producers. According to Ulriksen and Plagerson (2016). Social protection on a broader perspective refers to the protection of those who fall temporarily under the levels of promotion of a general standard of opportunity for its citizens. Tea is one of the cash crops that require labour intensive and it pools a large labour force in the world, from its initial stage of plantation to the final stage of packing, and even during sales stage.

The large casual workers form a large pool of labour in tea estate. The social protection of workers depends upon the firm's management to adopt appropriate welfare in order to increase efficiency and productivity of his employees. Most employees in tea firms enjoy some social benefits provided for by employer. They include health care provision, subsidized fees for their children, water and housing. In

global perspectivesocial protection has play a key strategy to reduce poverty, develop flexibility andenhance development (Anyanwu, 2013). Social protection effects have enhancing the economic developed capacity of poor and most marginalized society.Beyond poverty alleviation, social protection has protect poor people from the effects of shocks, including destruction of property and minimize negative coping practices(Munjuri, 2013)alludes that social protection assist in build capacity and allowing for investments that assist to build people’s flexibility to future threats and crisis.

Social protection has taken a multi dimension forms they include, social security and social transfers. In Africa confusion still takes centre stage on how to classify social security and relief on ‘social protection’ or not. Its argued that social protection is the same as social security – with ‘predictable social transfers’ security systems are introduced.The Management commitment on social welfare is to promote quality of life of the poor as spending on social sectors in the last 5 years (Parks, 2014 this Strategy aims to harness the goodwill to achieve meaningful and sustained interventions for improved quality of life of all Kenyans (Hassan,&Mugambi, 2013).In Nandi county, based on an assessment of poverty, risk factors and inputs from the county government consultations held in 2007/8 as part of the development of this Strategy, Contribute to the building of human capital as a way of addressing the underlying causes of poverty and breaking the cycle of inter-generational poverty, to promote strategies that will; reduce the likelihood of an adverse risk, reduce the impact of the future risk, and relieve the impact of the risk once it has occurred; and to mobilise resources and effectively coordinate their use to address poverty, vulnerability and risk management at the national level.

### **1.1.2 Employee Welfare Programme**

The right of workers is a very common issue, but it can be reduced to the safety and dignity of human life at work and the right to self-employment (Seidman, 2007). According to Stratton (2005) employee welfare services are characterized as a person's, group's or organisation's good wealth, health, happiness and prosperity; well-being: child welfare; physical or moral welfare. This is financial or other support from an agency, city, state or national government for a person or family. Employee welfare is a broad concept covering different programs, incentives and facilities that employers provide to their workers. The measure of welfare does not have to be monetary but in every way. This includes things like wages, accommodation, medical care and food transportation.

Employee health is often referred to as improved working prospects for employees, and also includes taking care of the well-being of workers by employers, trade unions, government and non-government organizations. At the Asian Regional Conference of the International Labor Organization (2010), employee welfare is designated as a term which includes the convenience of services, such as facilities and amenities built in or in the locality of businesses that allow employees of a company to work in a well-organized, comfortable and morally safe setting. Employees “welfare has two aspects, negative and positive (Osterman, 2000).

The International Labor Organization (2010) classifies health programs into two: intra-mural and extra-mural operations. Intra-mural is given inside the firm, which includes latrines, drinking water, workplace protection and protective clothing. Extra-mural is conducted outside the firm, which includes social security programs for the

welfare of children, providing of educational facilities (Manju& Mishra, 2007). Employee welfare also entails tracking working conditions, creating social peace by means of occupational health relations systems and disease prevention and worker and family unemployment benefits. Thanks to such incentives and facilities, the employer increases the efficiency of workers by making life worth living for workers. Friedlander (2006) maintains that health of workers is an incredibly broad field of interest. In best conditions, managers can discuss the needs of their workers in the workplace itself and take into account the stresses they face outside of the workplace.

Armstrong (2004) claims that employee benefits programs help boost the company's reputation as a successful employer and thereby help attract and increase employee engagement. Workplace welfare includes all those employer's practices which are intended to provide workers with, in addition to salaries or benefits, such facilities and services. Effective , safe, committed and happy work force for this company is the rationale behind provision of welfare programs. The goal of providing these facilities is to improve their working lives and to improve their living standards. By offering healthcare services, workers get stable employees. Staff are deeply involved about their jobs and work with a sense of engagement and involvement.

### **1.1.3 Organizational performance**

Deadrick and Gardner's (2007) defined organizational performance as the output achieved by organization in every stage of the job over a particular time. Organizational performance is very crucial particularly in achieving goals for organizations. It is defined as the input of employees to make them achieved the set objectives goals (Herbert, John & Lee 2000) while performance determined

organization success with respect to the process, outcomes, significance and success Uganda National Development Program (1995). Output and employees behaviour determines performance of a firm. (Armstrong 2000). Uddin, Luva & Hossian (2013) argues that the set standards performance is always set by organization it is measured against achievement of employees, they include measures using of productivity, efficiency, effectiveness, quality and turnover measures.

Performance determines the subsequent output of the performed activities of employees based on their capability and services. Therefore, employees' performance is the total result of the efforts and abilities of all the workers contributed in managerial productivity. Successful organizational performance shows the efforts towards goal accomplishment while requiring more efforts in terms of better workers performance (Al-dalahmeh, Khalaf & Obeidat, 2018). This means that workers with different advantages such as the company's funding and training are more likely to have to reimburse the organization through increased performance and better attitude and behaviour (Otieno, Wangithi & Njeru, 2015). In reality, the employee's level of success has a high degree of dedication and values for an employee (Selvarasu & Sastry, 2014).

An associated employee is aware of the workplace background and works with co-workers to improve employment efficiency for the good of the company (Ologbo & Sofian, 2013). Men (2015) defines the commitment as a catalytic for workforce success through energy and absorption, participation, efficiency, vigour, determination, excitement and a positive environment. The success of employees is an observable human activity that is important to the achievement of organisation. Performance is characterized by (Hellriegel, Jackson & Slocum 1999) as the degree of

achievement of an individual's work after an effort has been made. Highly performing individuals are able to assist the company in achieving its strategic goals, thus retaining the competitive advantage of the organization (Dessler, 2011). Success includes both the behavioral and the result dimensions.

Many employers assess the performance of each employee on an annual or quarterly basis in order to help them recognize potential areas of change and decide or increase the eligibility of the employee to be eligible for promotion. Organizational performance is more than just performing the dreaded annual assessments with a view to receiving annual bonuses or an improvement in pay; it is a continuous endeavor with the overall aim of enhancing both employee and organizational results. Success of organizations depends on the performance of employees to allow efficient use of human capital, as the organizational success of employees who transfer organizational resources (Kolay&Sahu, 2005). Employee engagement may also be an indicator of employee success as it contributes to positive behaviour, such as personal initiative, organizational association and productivity of employees (Otieno *et al.*, 2015).

Employee welfare schemes are actions whose objective is necessitate by promoting wellbeing of the workers, the aim of this schemes is to improve the working conditions of the employee and their families because the employee's wellbeing cannot be attained in seclusion with of the employee from his family. Armstrong (2004) perceived that employee welfare strategies stop majorly on intellectual ground of social accountability on the firm for those who work for them. Many studies have been done across various sectors of economy in relation to employee's welfare and performance.

## **1.2 Statement of the Problem**

Tea factories in Nandi County operate in an intensely competitive environment due to the existence of other tea factories in the country that produce and sell the same products. Thus, the organization ensures that their employees are the best performance to meet their production and customers' needs. However, the tea companies has been facing a downward trend in performance with regard to bonus declaration, competition with other tea producing countries, inadequate committed employees and inefficiency in production. Tea firms have not able to receive adequate returns from their investments. Nandi tea estate lost close to 150 million annually as a result of employees pay row. Kenya Plantation Agricultural Workers Union Nandi officials indicated tea firms are sacking workers for participating in a strike that led to burning of tea farms last year (Titus &Cheruiyot, 2016).

Strategies for mitigating such challenges in the tea need to be developed so that tea produced becomes competitive (Abdi, 2018). This has forced tea companies to re-craft their strategies in order to remain competitive. However, existing few studies have focused on social protection strategies and organizational performance. Tanui, Feng and Kipsat (2017) focused on cost reduction strategies on performance of tea factories in Embu County, Kenya. Ondieki and Bula, 2018) did a study on tea productivity in Kericho County, Kenya but focused on the financial determinants. The reviewed studies reveal that limited studies have examined employee welfare policies and their organizational performance. This constitutes a knowledge gap which justifies the need for furtherresearch. This study therefore sought to fill this research gap by establishing employee social protection welfare strategies their performance in tea firms in Nandi County.

### **1.3 Objectives of the Study**

The study was guided by main and specific objectives as follows.

#### **1.3.1 General Objective**

To establish the effects of social protection strategies on organizational performance in tea firms: a case of Nandi county.

#### **1.3.2 Specific Objectives**

- i. To determine the influence of Labour market strategies on organizational performance of tea firms in Nandi County.
- ii. To assess the effect of social assistance and welfare service strategy on organizational performance of tea firms in Nandi County
- iii. To examine the effect of micro – area based schemes on organizational performance of tea firms in Nandi County
- iv. To assess the moderating effect of the government policy on the relationship between social protection strategies and performance of tea firms in Nandi County

### **1.4 Research Hypotheses**

H<sub>01</sub>: Labour market strategies have no significant effect on performance of tea firms Nandi County

H<sub>02</sub>: Social Assistance and Welfare strategy have no significant effect on performance of tea firms Nandi County

H<sub>03</sub>: Micro area based schemes have no significant effect on performance of tea firms Nandi County

H<sub>04</sub>: Government Policy does not significantly moderate the relationship between social protection strategies and performance of tea firms in Nandi County

### **1.5 Scope of the Study**

The study sought to assess the effects of social protection strategies and performance of tea firms in Nandi County. The study considered the welfare of the tea workers in Nandi County. The study determined the effect of Labour market strategies, assistance and welfare strategies; micro area based schemes and the moderating effect of government's policy influence on organizational performance of tea firms in Nandi County. The study sampled assisted general managers, group managers, division managers, factory managers, assistant managers and supervisors. The study was conducted between the months of October and November 2019.

### **1.6 Significance of the Study**

The focus on this study is justified because of the emphasis given by the Kenyan government in achieving equality among all citizens. The study would be of significance to tea factories management, employees, policy makers such as Government ministries and parastatals, academicians and strategists. Understanding this policy can help the government and other decision makers to establish policies which enhance achievement of equity. Thus, the study enables policymakers to make decisions which enhance the success of these strategies. Social protection is a blue print objective of Kenya's long term development plan.

It provided necessary information about what other development partners have done/can do together with the government to contribute in the reduction of economic dependency from 50 per cent to 25 per cent as outlined in Vision 2030. The

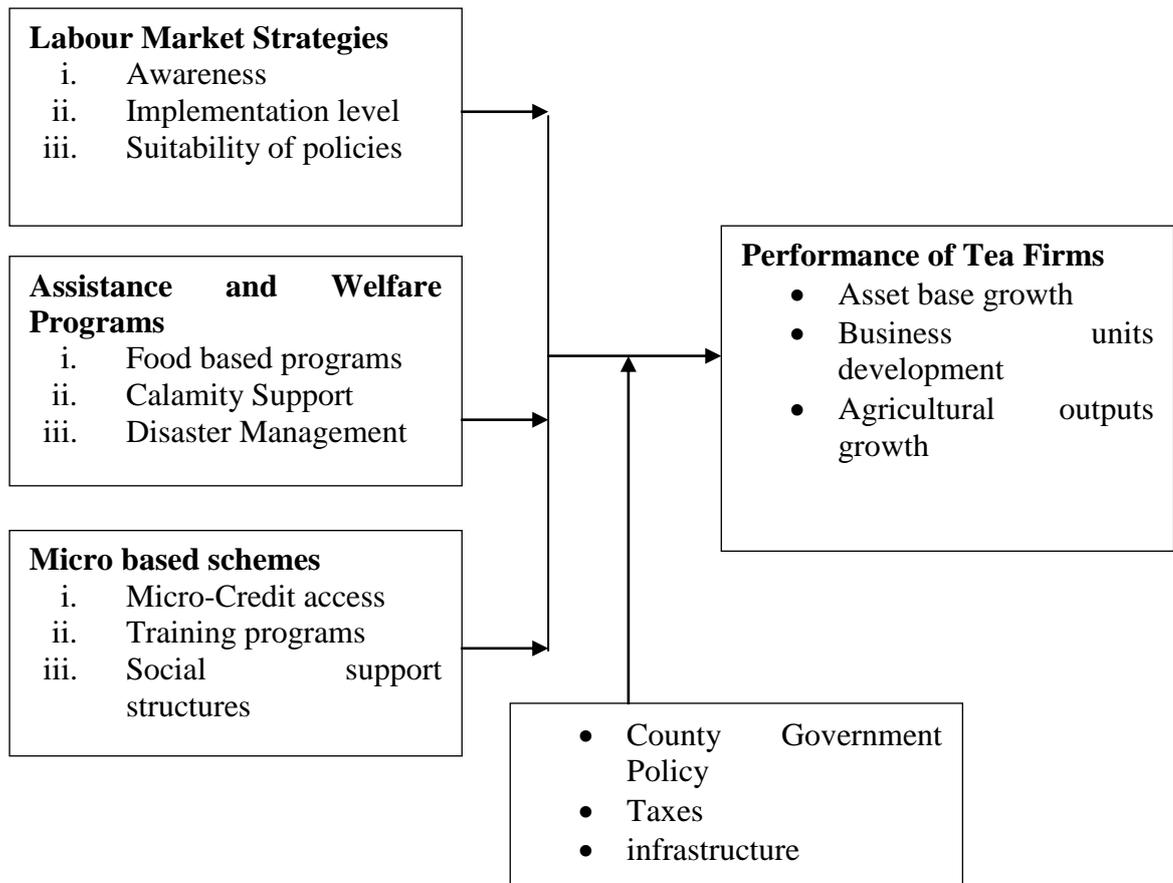
study provided updated empirical evidence on social protection strategies more so from a developing country perspective. Thus, enabling literature is updated by the empirical evidence. Therefore, the study made an important contribution to literature body of knowledge by providing in-depth understanding of complexities of social welfare. Furthermore, the study forms a basis for future studies on the social welfare and social protection strategies in Kenya and the world. Thus, further studies would be undertaken by making reference to this study.

### **1.7 Conceptual Framework**

The conceptual framework entails the independent variables such the resource mobilization, program coordination, beneficiary selection criteria, past program experience that the government uses in order to ensure that the social protective strategies are achieving its goals. The dependent variable comprises tea firms performance indicators in Nandi County, this is measured Asset base growth, Business units development and Agricultural outputs growth. The strategy evaluation of the cash transfer programme is the moderating variable.

**Social Protective Strategies  
Independent Variables**

**Dependent Variable**



**Fig 1.1: Conceptual Framework**

**Source: Researcher (2020)**

The conceptual framework hypothesizes that Labour market strategies, social assistance and welfare programs and microbased area programs have an effect on performance. Labour policies influence performance in a number of ways; creating productive employment in Kenya requires implementing enabling policies. In addition, there is need for structural transformation, which entails uplifting various economic sectors that drive growth and employment. Employment creation and structural transformation have actually been fronted as some of the major challenges

currently facing Sub-Saharan countries (Kamau, Kinyanjui, Akinyoade&Mukoko, 2018).

The Social welfare protection is hypothesized to influence performance in a number of ways in the form assistance programs in order to provide citizens with an economic safety net during periods of illness, economic hardship, and other shocks. Today, nearly every country has some form of social protection developed to provide economic support in times of need. International human rights instruments have long recognized social protection as a fundamental human right (Mukuria, Martin, Egondi, Bingham & Thuita, 2016; Smith & Darko, 2014).

Micro area based programs influence performance these refers to small-scale financial services-primarily credit, savings and insurance necessary to households survival. It provides disadvantaged individuals with access to vital financial services like credit, deposits, money transfers and micro insurance. Savings services allow savers to store excess liquefaction and receive returns on investment for future usage. Credit services allow the use for current investment or consumption of anticipated profits. Finally the government policy programs can impact the social protection strategies responsible for performance because they are regulations put in place by the government to enhance productivity (John, 2011; Rahmat&Maulana, 2006).



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.0 Introduction**

This chapter covers the literature review of the study. It specifically addresses the theories that guide the study, the empirical literature on the research objectives including Labour market strategies, social assistance, micro area based programs and government policy as a moderator on performance of tea firms. The study also indicates the knowledge gaps and provides a summary of the reviewed literature.

#### **2.1 Theoretical Framework**

##### **2.1.1 Concepts of Employee Social Protections**

Social protection is a strategic component's to all developing countries, it's a human right policy since they deal with human being. When selected is prioritised in the provision of social protection that matter in despondence order of the day. Developing countries need to develop a social protection system that will enhance economic development for its citizens, firms and the entire government. The informal sector has suffered the absence of social protection they have an opportunity to formulate these strategies and go far to agitate for its implementation. Absence of social protection is abuse of peoples right and therefore radical measures should be taken to avert the mess in most developing countries to boost the morale of his employees. Human rights should be the key players in society to fight for employees right. In Zambia National Pensions Scheme (NPS) Act 78 of 1988 states that, the contractual guidelines between employer and employees have not been well defined these makes casual workers

barred from social protection benefits. Employee's definition according to (NPS) favours the formal sector only.

Ferreira (2010) Most countries in Africa are stallions of HIV/AIDS pandemic and has great impacts and remarkable damage on economy,. This has left the vulnerable group in the society with the duty and trials of caring the orphans and vulnerable children, these has negatively affected psychological lives of people and increase the burden and assign new roles to the old citizens. According to Sanjivi Guhan (1994), a great economist proposed that social protection should ensue three P" measure to succeed they include protection, prevention and promotion they should always try to eradicate poverty and protection against deprivation. Social protection should work towards assist employees manage risk and provider support to the critically abject poor social protection strategy in Kenya defines three outer most areas, they include provision of aid, health protection and social security. The International Labour Organization (ILO) approaches as 3Ps promotive, protective and preventative measures intended to explain interrelated measures of poverty (Devereux *et al*, 2004).

### **2.1.2 Concept of Performance**

Organizational success involves an organization's real production or effects as calculated against its expected outcomes (or objectives and goals). Organizational performance, Richard et al .( 2009), includes multiple activities that help to develop the organization's objectives and monitor progress towards the goal. It's being used to make improvements to achieve goals more quickly and successfully. Organizational productivity is something corporate administrators and owners are generally upset about. This is because their businesses are unable to accomplish the planned

outcomes, even though the company's employees are hard-working and busy doing their duties. Results are produced more because of unforeseen incidents and good fortune than because of the staff's efforts (Manyasi, 2012).

However, roles must be established and accomplished for every organization to be efficient. It is important to develop strategies for an institution that should be constructed around the abilities that would improve the organization's performance. There are a variety of metrics from which market success can be measured. The balanced scorecard includes both qualitative and quantitative metrics that consider the preferences of multiple stakeholders and that contribute to a performance evaluation of policy preference. Performance is related to both short-term outputs and process control in this manner (Johnson, 2006). The behavior of management and workers is heavily affected by an internal evaluation framework. Traditional financial accounting metrics will offer dishonest symbols for the quality improvement and creativity needed by the demands of today's business market (Kaplan and Norton, 2001).

Using different metrics, the success of organizations in the current business-operating setting may be judged. The overarching aim of a organization employing different strategic tactics is to achieve an advantage over its rivals, thus improving efficiency. Management style, human capital, product quality, service quality, customer satisfaction, appearance or credibility of the business, marketing efficiency, technical status, location and processes or structures are functional criteria (Kaplan and Norton, 2001).

## **2.2 Theoretical Review**

Functional Theory of Labour Welfare (Efficiency Theory) and social capital theory.

### **2.2.1 Functional Theory of Labour Welfare**

The functional theory on labour welfare was pioneered by Narendra Joshi who championed for the welfare of employees within corporate organizations (Joshi & Maharjan, 2007). This theory has also been popularized as the efficiency theory. This theory states that for employee to be more efficient and productive his needs (mental and physical) have to be satisfied. Employee welfare in any firm aid at maintaining the self-esteem of the employees high so as to retain the employees for longer duration.. In regard to this theory, welfare is used as a means to enhanced efficiency and productivity of labour (Manju & Mishra, 2007). The theory suggest that an employer with great desire for his work force, will enhance production through efficient by improving production. In addition developing country must motivate his employees through provision of conducive environment and boost program for housing, education, and provision of balanced diet and family planning measures since they are important labour welfare services. The theory is relevant since all characteristics in labour force area understood to support well the employer and employees relationship in achieving higher production through better welfare. The theory is embraced since provision of welfare services affect performance of labour force. It is common knowledge that any employer who takes good care of employees will result to more efficient. According to this theory, it's the duty of the employer to facilitate a good welfare scheme towards its employees.

The functional theory implies that welfare facilities are provided to make the workers more efficient. If workers are fed properly, clothed adequately and treated kindly, and if the conditions of their work are congenial, they will work efficiently. Welfare work is a means of securing, preserving and increasing the efficiency of labour. Therefore

Welfare service plays a key role in determining the efficiency of the worker and based on employee and employer relationship. Welfare service should be administered both inside (intramural) and outside (outside) to enhance human personality. Provision of welfare service must move throughout the hierarchy of a firm. Employees' at all levels must accept this total concept of labour welfare program will never really get off the ground.

The theory is helpful in understanding the characteristics of labour force as reflected on the contemporary support for labour and it worked well if the employer and employees have the same goal of achieving higher production through better welfare. It is, therefore, necessary to implement labour welfare services both inside and outside the organization, that is, provide intra-mural and extra-mural labour welfare services. Totality of Welfare emphasizes that the concept of labour welfare must spread throughout the hierarchy of an organization. Good labour welfare improves the employee wellbeing and seeks to strike a balance between job related activities and non-job activities. Such work-life balance is crucial for any organization seeking to improve organizational performance. The theory also enhances the understanding of the employee's characteristics and it works well if the employer and employees have the same goals towards achieving higher production through employee welfare.

### **2.2.2 Social Capital Theory**

This theory was postulated by James Coleman, Pierre Bourdieu and Robert Putnam among others in 1920 revised by Lin(2017). It is concentrates with the nature, structure and resources implanted in a person's network or relations (Burt, 2017). Social capital since small communities were formed and individuals interacted with

each other expecting reciprocation and trust. Social capital in its present form and associated meanings was popularized by among others Lin, Fu and Hsung, (2017). Both Bourdieu and Coleman emphasize on the intangible nature of social capital which is in the structure of relationships. A person must relate to others to poses social capital and its others who are the source of this advantage not an individual.

Bourdieu shares a different view of social capital from Coleman and Putnam, he uses social capital to explain social class division and power inequalities while Coleman and Putnam focuses on benefits individual access through association with others. Bourdieu define social capital as —the sum of the resources, actual or virtual that accrues to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.

Social capital is seen as heart-warming but Bourdieu reveals the worst side of social capital that lead to social inequalities he says that —it is not what you know is who you know (Aldrich & Meyer, 2015).In relation to the study, research shows that poverty weakens social networks since the poor people are not in a position to reciprocate the offer. Social protection helps the poor to build their trust and confidence in the community. Studies in sub Saharan Africa found social protection programmes boost their social status which contribute to social capital, also it provide resources in terms of cash which help in building trust and cohesion in the community.

## **2.3 Empirical Review**

### **2.3.1 Labour Market Strategies and Organization Performance**

Stiff competition in the global market due to technological advancement has made organization look for better human resource management (HRM) strategies to enable them compete favourably by sharpening the work force which eventually leads to improve firms performance. (Puntillo, 2012). Labour market strategies trigger the firms performance, they include training, workplace flexibility practices (WFPs) together with job satisfaction, labour productivity and education. Organization success depends entirely on employee's commitment and morale (Gonzalez, Gasco & Llopis, 2020).

Therefore organization which has fulfilled workers needs and have good working relationship with employees (White & Bryson, 2013), will lead to improved performance of employees and productivity. In addition, Workplace flexibility practices (WFPs) and labour markets have influence on firm's competitive advantage and the performance. According to Michie and Sheehan (2005), one of the great intentions of adapting (WFPs) in any organization is to attain a work life balance. Adopting such strategy in an organization will assist to avert absenteeism and enhance cordial working environment for employees (Cristini & Pozzoli, 2010). Another determinant of employee's performance is labour turnover. Employees require rigorous training to develop new skills and knowledge and the organization must bear the overhead cost (Hancock *et al.*, 2013).

Therefore, we can assume that labour turnover has a negative correlation with firms performance, (Brown *et al.*, 2009), though other scholars have different views for

example when new employees are recruited and they are highly educated and possess high skills eventually will led to positive influence on firms performance. Economic development of an organization depends on how much they invest on human capital since it's a great determinant to the success of the firm (Pitelis, 2016). In regards to human theory, training the managers and employees' increases productive hence improve performances. Decent work entails absence of coercion in the work place with no slavery and child labour; it also entails equity in the work place, decent working hours, job security that is health, pensions and security against job loss and dignity of work (Parpart&Stichter, 2016). The high levels of unemployment and underemployment, vulnerable employment and the working poor seriously undermine the efforts in improving inclusive and sustainable growth, employment and decent work for all as envisioned in the global agenda 2030 for sustainable development.

Kenya has experienced prevalence of high levels of unemployment and poverty rates. The income poverty particularly is one of the main challenges to development. As at 2014, Kenya had a population of 43 million and an average growth rate of one million people per year, which translates to 2.5 percent per annum (Escudero&Mourelo, 2014). In addition, nearly half of the population in Kenya lives below the poverty line (that is less than US\$ 1.25 a day). The high rate of population growth has led to high levels of dependency ratio in the country. Most households in Kenya are characterized by high dependency especially among rural dwellers, persons with disability, women, youth and informal sector workers, with large regional disparities between rural and urban areas (ILO, 2015). The total labour force in Kenya is estimated at 18 million people with 75 percent being in agriculture and 25 percent in industry and services sectors (Heshmati&Rashidghalam, 2018).

Youth accounts for the largest proportion of the population, but the unemployment rate among the youth are extremely high. While the youth accounts for nearly 45 percent of the labour, unemployment among this segment of the population remains high, estimated at 37 percent, which is higher than the overall unemployment estimated at 23 percent (Odhon'g&Omolo, 2015). Labour force participation rate is estimated at 67 percent with the level of male and urban population having a high participation rate compared to female and rural population, respectively (Republic of Kenya, 2015). Unemployment and underemployment in Kenya is estimated to be around 40 percent in 2013 (Tubey, Kipkemboi&Bundotich, 2015). Creating productive employment in Kenya requires implementing enabling policies. In addition, there is need for structural transformation, which entails uplifting various economic sectors that drive growth and employment.

Employment creation and structural transformation have actually been fronted as some of the major challenges currently facing Sub-Saharan countries (Bikketi, Bieri, Haller&Wiesmann, 2016). According to the Otieno, Waiganjo and Njeru, (2015) structural transformation in Kenya has contributed little to growth because majority of workers leaving the agricultural sector are absorbed into the service sector where productivity is comparatively low. This result in the share of agriculture in the Kenyan economy declining at the annual rate of -0.66 %, compared to that of the manufacturing sector which decline by an annual rate of -0.71%. As a result, the contribution of the agricultural sector to the GDP dropped from 29.24% in 1991 to 26.33% in 2016. On the other hand, there has been positive annual growth rate in trade and transport (the two components of the services sector) at 0.91% and 2.66% respectively over the same period (Otieno *et al.*, 2015).

Special Economic Zones (SEZ) and Export Processing Zones (EPZs) have been cited as key avenues for creating productive employment creation. In Kenya, where the share of SEZ in manufacturing is only 15%, then this sector may not be able to absorb all the labour that is being released into the labour market. The Export Processing Zones (EPZ) has been credited with creating 40,000 jobs, which comprises 1.5% of total formal employment, and a 20% manufacturing labour which is considered low (Amsden, 2013). According to Filmer and Fox (2014), the share of employed capital and labour productivity interconnect with vulnerable employment, and labour productivity. Labour productivity enhanced investment, trade, technological changes in work and organization this can lead to increase in social protection and lessening in poverty, thus increasing labour productivity in an economy can reduce vulnerable employment and share of working poor.

However, increase in labour productivity does not guarantee these reductions but without productivity growth improvements in vulnerable employment and working poor are very unlikely. In Kenya, the trend of working poor over time does not have a clear pattern. As shown in Figure 4, the ratio of working poor declined between 1990 and 1997 but then rose again to around 45% in 2005 and 2009. However, this ratio declined to about 35% in 2012. However, the rate is rather high at 35 (in 2012) especially when compared to the increase in labour productivity over the years. Vulnerable employment rate on the other hand declined over the years but there was a slight increase from 2013 to 2015.

The share working poor however has been fluctuating over the years with lowest level recorded in 1997 at 19.6% this rate however increased to 45.2% in 2005 but later improved to 34.8% in 2012. Only two indicators show positive developments in

Kenya, that is labour productivity and vulnerable employment rate. Employment-to-population ratio declined during the 1990s, but later improved in 2007 the ratio favoured men than women. It is worth noting that vulnerable employment is low because we have only considered contributing family and own account workers in the calculation of vulnerable employment (Woolard&Leibbrandt, 2013).However, considering informal workers in Kenya share the characteristics of vulnerable workers in that they lack; any formal work arrangements, decent work conditions, adequate social security and effective representation through trade unions and other organization, the rate of vulnerable employment would be much higher since 82.8% of workers in Kenya are employed in the informal sector (Borel-Saladin&Turok, 2013). In 2003, ILO classified policies for productive employment into two, (i) policies addressing the economic environment and, (ii) policies affecting the labour market.

Kenya, like many other developing countries is designing its policies towards this direction as seen with the adaptation of ILO Decent Work Country Programme in 2013. ILO formulated Kenya decent Work Country Programme in conjunction with the government of Kenya and workers and employers' organizations. With the country facing acute economic and social challenges, high unemployment, and poverty rate, the programme key focus areas are employment, rights, protection and dialogue. Through these, the programme aims at increasing social protection, promoting productive employment as well as strengthening industrial relations in the country. The following is the analysis of past productive employment policies in the country, (Borel-Saladin&Turok, 2013).

### **2.3.2 Social Assistance and Welfare strategies and performance**

Social welfare protection, in the form of insurance and assistance programs, emerged in Europe in the 1800s in order to provide citizens with an economic safety net during periods of illness, economic hardship, and other shocks (Ono, Matsuyama, Karama & Honda, 2013). Almost every country today has created some sort of social security to provide economic support in times of need. International human rights mechanisms have long accepted social security as basic human rights. In particular, the rights of all people are enshrined in Articles 22 and 25 of the United Nations Universal Declaration of Human Rights (1948): as a member of society, everybody has the right to social security and to a standard of living that is sufficient for the health and well-being of himself and his family, including food, clothes, accommodation, medical care and the requisite social services (Mukuria, Martin, Egondi, Bingham & Thuita, 2016).

The 1989 Convention on the Rights of the Child of the United Nations (UNCCC) further safeguards the rights of the most disadvantaged members in society, their children. The Convention preserves child rights through the creation of non-negotiable healthcare requirements and responsibilities, education and legal, civil and social services. The Convention recognizes the State's duty to protect children's interests, without prejudice whatsoever and by implementing all relevant legislative, administrative, and budgetary steps, as well as any other required steps. Sub-Saharan Africa is taking on a new urgency as the international campaign to invest in social security in developing countries is tossing in HIV and AIDS with others, at the same time destabilizing livelihood structures and family and social safety networks (Smith & Darko, 2014).

HIV and AIDS in South Africa were almost unstable in the mid-1980s. Now the area is the hardest hit and most commonly considered the global epicenter of HIV. In 2012, Swaziland witnessed the world's highest HIV prevalence rate (26.5%). Also in Botswana (23%) and Lesotho (23.1%) the prevalence of HIV is especially high. South Africa is the biggest HIV outbreak in any world with 6.1 million people living with HIV-a prevalence of 17.9 percent. HIV prevalence varies between 10 and 15% in the rest of South Africa. The prevalence of HIV in East Africa is typically moderate to high. Over the last two decades, however, the overall prevalence has decreased. For instance, Kenya's HIV prevalence has decreased from 14% to almost 6%. Other countries with a prevalence of more than 5.0% are Uganda, with Madagascar being the lowest seen in the world at 0.5% and Mauritius at 1.2%.

The HIV epidemic has great effect on health of individuals and households, communities, and nation at large. Many countries globally has been hit by HIV suffer from other infectious diseases, food insecurity, and other serious problems. The loss of a parent either through death, abandonment or other social factors not only has an immense emotional impact on a child, but for most children, it is the beginning of a cycle of economic hardships. 80% of families lose more than half their per capita income with the death of the highest income earner (George, Kotha, Parikh, Alnuaimi & Bahaj, 2016).

In one study in rural Uganda, children who had been orphaned by AIDS reported high levels of psychological distress. In children orphaned by AIDS, anxiety, depression and rage are more common than other children. In contrast to 3% of other children interviewed, 12 percent of children who had been orphaned with AIDS said they were dead. African Governments, including Kenya, drafted development plans and

initiatives to strengthen the accumulated underdevelopment process in order to overturn the legacy of colonialism, exploitation and abject poverty in the 1960's. Poverty, disease, and ignorance were identified at the time of independence in 1963 as the critical challenges facing the new nation of Kenya (Bernier&Meinzen-Dick, 2014). Although there has been substantial growth in education, progress has been more gradual in reducing poverty and providing healthcare. Forty-eight years after independence, poverty and insecurity continue to face the major challenges of the long-term, persistent and generational cycle of poverty for almost one in every two Kenyans. The situation that the government had to deal with was also considered a situation of poverty.

This was encapsulated in the country's Sessional Paper Number 10 of 1965, popularly referred to as African Socialism. The Sessional Paper was to serve from 1965 to 1970. It sought to address and achieve political equality, human dignity, social justice, freedom from want, disease, exploitation, equal opportunities, high and growing per capita income distributed equally. It has severally been said that while the objective of the paper was noble, it failed to meet them as it did not deal with elimination of exploitation, equal distribution of wealth and provision of basic needs (Cinner& McClanahan, 2015). In the 1970s, various policy reforms were introduced and implemented in the area of social protection to mitigate the different socio-economic crisis experienced by African countries and to reduce poverty. In some cases, such reforms started with Structural Adjustment Programmes (SAPs) of the 1980s, which were designed by Bretton Woods "institutions, the World Bank (WB) and the International Monetary Fund (IMF), for the purpose of bringing about economic growth and recovery.

Notably, these programmes were pre-occupied with microeconomics that tended to ignore that equity and improved livelihoods were important. In the recent past, these traditional informal safety nets have been disrupted through the new economic order which is characterized by modern education, rural-urban migration, individualism and globalization (Kitui, Lewis & Davey, 2013). Rising numbers of Kenyan children are growing up without proper assistance, treatment, and security because of the on-going tragedy of poverty, fractured growth, and HIV and AIDS. In Kenya, as in the sub-Saharan Africa region, the majority of these orphans and vulnerable children (OVC) continue to be cared for by families and communities but many families are under severe restrictions which restrict their ability to meet the needs of children.

There is an urgent need to respond in greater depth and to help families and communities not only look after their children but also protect their children's rights (Parks 2014). The creation of the National Safety Net Program, which aimed to improve the operating structures, and to extend coverage of five cash transfer services, was one first step in the reform agenda on social security and the defence of vulnerable populations; the Older Persons Cash Transfer (OPCT), the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), the Hunger Safety Net Programme (HSNP), the Urban Food Subsidy Cash Transfer (UFS-CT), and the Persons with Severe Disability Cash Transfer (PWSD-CT). Project partners were also drawn to the initiative. In July 2013, a major financial assistance was given to the transformational national social security network by way of a World Bank \$250 million non-interest loan to help combat extreme poverty and to meet 3.3 million of the country's poorest people by 2017, along with other initiatives (Parks 2014).

To endorse the above-mentioned measures, the Kenyan administration has approved, by means of a parliamentary statute, a more comprehensive social security system to deliver meaningful changes through the implementation of the Social Assistance Act 2013. The NSPP system seeks to improve the provision of social assistance to the disadvantaged and marginalized people in the national and county levels and guarantees that social security rights, and the welfare of individuals unable to support themselves and their dependents will be increasingly enforced. When fully operationalized is expected to raise the social profile of Kenya by 2030 (Chakravarty & Fonseca, 2014).

Kenya, like other sub-Saharan countries heavily affected by HIV and AIDS, has become poor and desperate, as do orphans and vulnerable children (OVC). A comprehensive approach to help families and communities in their efforts to take care of and protect children's rights has been desperately needed. Kenya's research activities and programs on cash transportation in Latin America, Asia and Africa provide an opportunity for Kenya to discuss and respond to foreign challenges (Devereux, Roelen, Béné, Chopra, Leay & McGregor, 2013). The Kenyan program provides a complementary approach to Kenya.

The Kenyan Government has set up a social aid Cash Transfer program for Orphans and Needy Kinder, which offers financial and social assistance directly to the weakest households with OVC, with specific concern for or affected by HIV and AIDS children. This began in 2004 when the former vice-chairman of Kenya proposed that a cash transfer program be initiated to resolve the demands of the growing number of disadvantaged children in Kenya as a result of poverty and HIV and AIDS (Angrist, 2014). A large variety of organizations addressed the idea in a number of forums and

gave it increased support. A first draft national action plan was formed that year for the orphans and vulnerable children and was followed by a National Steering Committee, led by the Permanent Secretary of the Ministry of Home Affairs, for initiatives aiming at orphans and vulnerable children. The idea came to fruition when the Ministry of Home Affairs produced a plan for the creation of a cash transfer programme. UNICEF supplied the government's funding and technical assistance to implement the program (Putunoi&Mutuku, 2013).

### **2.3.3 Micro area based programs**

Micro-credit strategies through provisions of financial aid assist to boost and stabilize the economy. They enable the financially challenged people to access cheap and quick loans, money and insurance services, these have enhanced Micro and small enterprises (MSEs) to continue to gain popularity despite a threat from a well-organized financial sector of the economy. According to Habib Ulla (2010) and John (2011) in their researches, they found that financial institution loans have increased the revenue of MSEs managers and poor people in Bangladesh and Zimbabwe respectively, the two focused on business achievement in terms of increasing the volume of sales and property acquisition, they also found that households should acquire increased income from the organization they discharge the duties and improve the standard of living of the poor people, both scenarios have been seen as improving performance.

Matovu (2006) study on MSE and poverty reduction in Uganda, the main objective was to assess the implications of microfinance on rural women, the findings show that the majority of women clients of Uganda Women Finance Trust had recorded increased incomes from their micro enterprises, this revenue is able to assist them to curb

problems of poverty. Further, Ojo (2009) carried out a study on effect of micro finance in entrepreneurship development; he found that there was a big difference in the number of proprietors who take parting Microfinance Institutions and without. He concluded that Microfinance assists in development of entrepreneurial activities in Nigeria and affect a country's economy positively. He concluded that Microfinance institutions have a positive relationship with the Nigerian economy. The economic patterns of MSEs determined the economy.

According to Rahmat and Maulana (2006) on the implication of Microfinance to MSEs Performance in Indonesia, it was concluded that Microfinance impacted constructive improvement of MSE's performance through sales, injecting more loan depicted negative suggesting that's loans need to be put at productive stage like investment. K'Aol (2008) a study the effect of microfinance in promotion of women entrepreneurship in Kenya. He gave a suggestion of funding on women entrepreneurship in Kenya." The sample of entrepreneurs who were beneficiaries of four Kenya Rural Enterprise from Nairobi and Nyeri. He concluded that the women enjoyed business expansion and their income had progressively increased after assessing loans. Kiriti, ng'ang'a and wangulachi (2008) sought the determinants of expansion of SMEs in Kenya and noted that the major source of credit were microfinance. It was attribute to less collateral attachment conditions which create conducive environment for less earners. The great hindrance to easy acquisitions to credit is high lending rates, lending ceiling and inadequate collateral.

The study suggest that proper management of funds /loans provided enough equitable resource to expand business hence enjoying economies of scale leading to excess funds for investment. Nourse (2001) gave a chronological review on the rise of MSEs

and argues that there's need to encourage savings and insurance services for the poor and not to facilitate credit products, he encourage that MFIs need totalored lending services to the poor instead of rigid loan products.

#### **2.3.4 Government policy**

Based on previous studies, government policy is a variable incorporated to monitor the other two variable's and check the effect on their performance, it assist to balance the intended results against the unintended one of social insurance to define the optimal point. Social insurance is entirely a government role in most countries, its growth has taken demographic shifts (e.g., an aging population), it has assist in many programs like assisting to minimise health care costs and other structural program changes. Under developed Countries have fail to designed workers' compensation strategies instead they have lapped workers compensation to universal as under UIState WC strategy comprises of medical costs of a work- injury related illness cash benefits (Mark&Nzulwa, 2018)gave a suggestion that if a worker condition does not change over a long period then he qualifies for 'permanent total' benefits In developed countries, under developed countries benefits equal a fraction the worker's pre-g period if their disability persists beyond a specified time period (Abuya, Maina&Chuma, 2015).

Mohd, Peou and Ali (2010) in his research confirm positive correlation between entrepreneurial values and SMEs performance. They affirm that government policy contributed significantly as a moderator in such relationships. Government policies influence development (Tende 2014), Government policies and their cumbersome protocols hinders or facilitate entrepreneurial activity (Sather 2006),these policies

impact entrepreneurs decision on where new enterprises will succeed (Bhat and Khan 2014)in general these regulation will boost major decisions in business.

## 2.4 Knowledge Gap

There have been a number of studies that have been conducted in the country on the area of social protection strategies. These include studies by Smith and Darko (2014) who carried out a study on the effect of older persons cash transfer programme on the elderly in Westlands Sub County, Nairobi City County and Mathiu and Mathiu (2012) who carried out a study on social protection. Despite the contribution that these studies made to the field, results presented are mixed, results presented also do not acknowledge the challenges affecting the social protection strategies in Kenya leading to diminishing livelihoods. Numerous challenges still dog the social protection strategies and its effect are yet to be felt in the rural parts of the country as intended. There is therefore need to conduct this study to establish the social protection strategies impacts in Nandi county sub county, Nandi County Kenya.

## 2.5 Summary of Research Gaps from Empirical Literature

A summary of the reviewed literature was provided in table 2.1

**Table 2.1: Summary of Research Gaps from Empirical Literature**

<b>Researcher</b>	<b>Title</b>	<b>Research Design</b>	<b>Findings</b>	<b>Gap</b>
Paul Kamau(2015)	Assessment of Productive Employment Policies in Kenya	The paper is mainly based on desk-top research which reviews available	The paper argues that the primary challenge in the labour market in Kenya is not unemployment per se but rather lack of productive employment	While employment creation has been central in all government policies, the

<p>(Objective 1: Labour market strategies)</p>		<p>literature and policy papers on employment in Kenya since independence in 1963 in order to determine how these policies have impacted on productive employment in Kenya.</p>	<p>and decent work among the poor population given that most of the population works in the informal sector. This population working in the informal sector tends to be vulnerable and has low productivity and low earnings, which effectively undermine the efforts for inclusive and sustainable growth.</p>	<p>focus has largely been on increasing the number as opposed to the quality of employment creation. It is for this reason the informal economy has remained the main contributor of employment opportunities.</p>
<p>Dinka.(2014 )  (Objective 2: Social Assistance and Welfare Programs</p>	<p>Social Welfare in Africa:  Meeting the needs of households caring for orphans and affected by AIDS</p>	<p>The study made use of both quantitative and qualitative methods</p>	<p>Overall, the majority of Countries only offer employment-based programmes that are highly exclusionary. Higher orphan prevalence countries have lower per capita GDP, higher unemployment, and the value of benefits appears to be lower in these countries compared to lower prevalence countries.</p>	<p>If social welfare assistance is to meet the needs of those who need a safety net, exclusions must be learned, benefits must be adequate, and a combination of better surveillance, monitoring, and evaluation activities are needed.</p>
<p>Khan (2013)  (Objective 3: Macro area based programs)</p>	<p>impact of micro-finance on poverty alleviation in Kakamega county, Kenya.</p>	<p>Exploratory research design</p>	<p>The research concludes that micro-finance has led to poverty alleviation in Kakamega County, Kenya. however, the MFIs are only able to reach a limited number of beneficiaries.  Therefore, its incumbent upon the government and other players to enhance</p>	<p>Various researches seeking to investigate the impact of micro-finance on poverty alleviation have been carried out in different locations across the world. But the most</p>

			the outreach of MFIs by offering the requisite resources and an enabling legal environment.	notable thing is the fact that there seems to be no consensus on the research findings.
Alan B. Krueger (2017)  (Objective 4: Government policy)	Labor Supply Effects of Social Insurance	In the study mixed method (both quantitative and qualitative method) was used	More generous benefits will provide greater protection against risk, but would likely generate larger distortionary effects. One would like to balance the intended consequences against the unintended consequences of social insurance to design the optimal benefit level.	A great deal of research has focused on identifying and quantifying the intended and unintended consequences of social insurance rather than on streamlining the social insurance

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter presents the methodology that was be used in the study in order to address the research problem. This chapter covers the research design, population of the study, sample size and sampling technique, data collection instrument, data collection procedure, pre-testing of research instruments, data analysis and processing are also presented.

#### **3.2 Research Design**

The research design is a master plan, according to Sekaran and Roger (2011), which defines the methods and procedures used to collect and evaluate information required. The study used correlation research design. It is suitable for establishing the relationships between variables in the study. Correlational research is undertaken to provide answers to questions on any relationships that may exist between variables under study (Sreevidya & Sunitha, 2011). According to Mugenda (2008), correlations studies are easy and simple to conduct.

#### **3.3 Study Area**

The study was conducted in Nandi County. Nandi County is located in the North Rift region of Kenya. It lies between latitude 0034N and longitude 34045E to the West while the Eastern boundary reaches Longitude 35025E. It covers an area of 2,884.4 Km<sup>2</sup>; and borders Kakamega County to the West, UasinGishu County to the North East, Kericho County to the South East, Kisumu County to the South and Vihiga County to the South West. The county has 5 administrative Sub-Counties

(Districts) and 11 Divisions. Nandi County has a total of 99 locations and 299 sub-locations. The County has a total population of 1,022,380 people comprising of 510,351 males and 512,029 females. The County's inter-censual growth rate is 2.9 percent which is slightly lower than the National growth rate of 3.1 percent (County Government of Nandi, 2021). Tea is the main cash crop and a source of income for majority of residents in Nandi County. This is evidenced by the concentration of tea companies in the County; both local and multinational. There are 15 major tea factories in the County. The study focused on Eastern produce of Kenya and Nandi Tea estate. These two tea estates have the following factories; Chebut. Kaimosi, Kapsumbeiwo, Sarani, Spiwet and Mbogo Valley. Nandi County is one of the leading counties in tea production in Kenya although Nandi tea estate lost close to 150 million annually as a result of employees pay row, therefore, the study examined influence of employee protection strategies on organizational performance,

### **3.4 Population of the Study**

Copper and Schindler (2014) define population as the total collection of elements about which the researcher wishes to make inferences. According to Saunders *et al.*, (2014) target population is complete collection of individuals or objects with homogeneous characteristics under investigation by the researcher. The study targeted 475 employees from two major tea firms in Nandi County. The distribution is as shown in Table 3.1

**Table 3.1: Target Population**

<b>Employee Cadres</b>	<b>Target Population</b>
Assistant General managers	6
Group Managers	6
Division Manager	6
Factory Manager	6
Assistant Manager Trainee	6
Assistant manager	6
Supervisors	68
Tea Pickers	371
<b>Total</b>	<b>475</b>

**Source: Human Resource Department for Respective Factories**

### **3.4 Sampling Technique and Sample Size**

Stratified random sampling technique was employed, whereby data were collected through self-administered questionnaires, in order to gather all the information as it suited the purpose of this study. The respondents were stratified into Assistant General Managers, Group Managers, Division Manager, Factory Manager, Assistant Manager Trainees, Assistant managers, Supervisors and Tea Pickers. Simple random sampling was used to select the respondents' in the two tea firms. Simple random sampling is unbiased (Ogula,2010).Yamane's (1967) formula was used to determine the sample size. For a 95% confidence level and e = 0.05, size of the sample was determined by the formula below.

$$n = \frac{N}{1+N(e^2)} \dots \dots \dots \text{Equation 3.1}$$

In the above formula,

n represent is the sample size,

N represent is the population size

e represent level of precision.

The sample size is calculated as shown below.

$$n = \frac{475}{1+475(0.05^2)} = 214 \dots \dots \dots \text{Equation 3.2}$$

The sample size was 214 respondents. The method of proportionate allocation was used to determine the number of respondents expected from each of the sampled tea firms. This is shown in Table 3.2

**Table 3.2 Sample Distribution Table**

<b>Employee Cadres</b>	<b>Target Population</b>	<b>Sample Size</b>
Assistant General managers	6	3
Group Managers	6	3
Division Manager	6	3
Factory Manager	6	3
Assistant Manager Trainee	6	3
Assistant manager	6	3
Supervisors	68	31
Tea Pickers	371	165
<b>Total</b>	<b>475</b>	<b>214</b>

**3.5 Data Collection Instruments**

According to Creswell and Designm (2003) data collection is a means by which information is obtained from selected subjects of investigation. The researcher used structured questionnaire to collect primary data. The questionnaires were self-administered in order to gather primary data. Questionnaires eliminate interviewer bias and ensure that the respondent has adequate to respond meaningfully (Kothari C. R., Research methodology: Methods and techniques, 2004). The questionnaire was subdivided into three parts. Part 1 consisted of statements aimed at obtaining general

information of the respondents while Part 2 consisted of closed ended statement aimed at obtaining data on specific study independent variables and part 3 solicited information on the performance. A five point Likert-type scale ranging from 1(Strongly Agree) to 5(Strongly Disagree) was used for all the constructs with 5-Strongly agree, 4-Agree, 3-Undecided, 2-Disagree and 1-Strongly disagree.

### **3.6 Pre-testing of Research Instruments**

Pilot study is study conducted before main study in order to test reliability of the research instruments (Sreevidya & Sunitha, 2011). A pilot test was carried out in Kericho County a nearby county in order to identify whether the developed instruments or items or test really agreed with the contents of the research questions. It involved 10% of the size of the sample population (Kothari, 2004). This means that 21 respondents were used in the pilot.

#### **3.6.1 Validity of the Research Instrument**

Validity is the degree to which the instrument tests what it appears to measure (Blumberg, Blumberg, Cooper & Schindler, 2005; Oliver, 2010). The validity of the research instrument assesses the degree to which the instrument tests what it is supposed to measure (Robson, 2011). The validity of the study depends on the specified measurements and that the test instrument is actually calculating what it is intended to measure (Saunders, Lewis & Thornhill, 2009). The analysis ensured that the content of the research questionnaires was correct and also used content validity by consultation with the university supervisors. The questionnaire was thus strengthened before the main research was performed in the area.

### **3.6.2 Reliability of the Research Instrument**

The reliability refers to a metric that achieves reliable results with equal values. It tests the coherence, accuracy, repeatability and credibility of research (Chakrabartty, 2013). It shows how far without bias (error-free) it is and thus guarantees accurate cross-time measurement across the different elements of the tools (the measurements observed). The reliability of a research instrument concerns the extent to which the instrument yields the same results on repeated trials. The tendency toward consistency found in repeated measurements is referred to as reliability (Carmines & Zeller, 1979). The Cronbach alpha computation which is one of the most widely used methods of examining internal consistency was employed in this study. Cronbach alpha scores range from 0.00 to 1.00, with values at or above 0.7 generally considered to indicate adequate internal consistency reliability when one scale is involved or 0.7 or higher when five or more subscales are involved. In this study, the threshold was 0.7 or higher.

### **3.7 Data Collection Procedures**

After subjecting the research instruments to validity and reliability, the researcher sought the consent of MasindeMuliro University of Science and Technology to proceed to the field. The researcher then sought a research permit from NACOSTI in order to conduct the research in Nandi County. The research questionnaires were administered on the sampled respondents by the researcher himself or the research assistants.

### **3.8 Data Processing and Analysis**

According to Kothari (2005) data analysis include procedures included in the process of packaging the collected information by each instrument in order and structuring its

main components in a way that the findings can be easily communicated. The process of data analysis will involve several stages namely; data clean up and explanation, data clean-up involved editing, coding and tabulation in order to detect any abnormalities in the response and assign specific numerical values to the response for further analysis completed questionnaires will be edited for completeness and consistency, the data will then be coded and checked for any errors and omissions Cooper and Schondler (2003). Frequency tables, percentages and mean will be used to present the findings. Responses in the questionnaires will be tabulated, coded and processed by use of a computer statistical package for social sciences (SPSS) version 20 program to analyze the data using descriptive. The generated information will be reported through, percentages, tabulations and measures of central tendency. This will provide the generalization of the findings.

In addition, inferential analysis was conducted; they included simple linear regression, multiple linear regressions and hierarchical linear regression. Multiple regression analysis will be conducted to establish the relationship between variables. Multiple regressions is a flexible method of data analysis that may be appropriate whenever quantitative variables are to be examined in relation to any factors. Relationships may be non-linear, independent variables may be qualitative or quantitative and one can examine the effect of a single variable or multiple variables with or without the effect of other variables taken into account (Coherent, West and Aiken, 2003). The findings were presented in form of tables and models

The regression equation was as follows:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

## **Moderated Multiple Regression Model Description**

The study adopted the following multiple linear regression model:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + Z + \varepsilon$$

Where; **Y** represents performance of tea firms of the Nandi county Sub County,

**$\beta_0$**  represents the y-intercept

**$\beta_1, \beta_2, \beta_3$** , represent coefficients of social protection strategies

**$X_1$**  represents Labour market strategies

**$X_2$**  represents Social Assistance and Welfare Program

**$X_3$**  represents Micro area based programs

**Z** represents Government Policy

**$\varepsilon$**  represents the error term

### **3.8.1 Hypothesis testing**

The four hypotheses were tested using the following framework:

**Table 3.3: Hypothesis testing**

	<b>Hypothesis Statement</b>	<b>Hypothesis Testing</b>	<b>Model</b>
i	H <sub>01</sub> : Labour market strategies have no significant effect on performance of tea firms Nandi County.	H <sub>01</sub> : $\beta_1 = 0$ H <sub>0A</sub> : $\beta_1 \neq 0$ Reject H <sub>01</sub> if $\beta_1 \neq 0$ and P value $\leq 0.05$ otherwise fail to reject H <sub>01</sub> if $\beta_1 = 0$ and P value $> \alpha$ $\alpha = 0.05$	$Y = \beta_0 + \beta_1 X_1 + \varepsilon$
ii	H <sub>02</sub> : Social Assistance and Welfare strategy have no significant effect on performance of tea firms Nandi County	H <sub>02</sub> : $\beta_2 = 0$ H <sub>0A</sub> : $\beta_2 \neq 0$ Reject H <sub>02</sub> if $\beta_2 \neq 0$ and P value $\leq 0.05$ otherwise fail to reject H <sub>02</sub> if $\beta_2 = 0$ and P value $> \alpha$ $\alpha = 0.05$	$Y = \beta_0 + \beta_2 X_2 + \varepsilon$
iii	H <sub>03</sub> : Micro area based schemes have no significant effect on performance of tea firms Nandi County	H <sub>03</sub> : $\beta_3 = 0$ H <sub>0A</sub> : $\beta_3 \neq 0$ Reject H <sub>02</sub> if $\beta_3 = 0$ and P value $\leq 0.05$ otherwise fail to reject H <sub>03</sub> if $\beta_3 = 0$ and P Value $> \alpha$ $\alpha = 0.05$	$Y = \beta_0 + \beta_3 X_3 + \varepsilon$
iv	H <sub>04</sub> : Government Policy does not significantly moderator the relationship between social protection strategies and performance of tea firms in Nandi County.	H <sub>04</sub> : $\beta_4 = 0$ H <sub>0A</sub> : $\beta_4 \neq 0$ Reject H <sub>04</sub> if $\beta_4 = 0$ and P value $\leq 0.05$ otherwise fail to reject H <sub>04</sub> if $\beta_4 = 0$ and P Value $> \alpha$ $\alpha = 0.05$	$Y = \beta_0 + \beta_1 X_1 Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \varepsilon$ If $X*Z$ has a p value $\leq 0.05$ , then there is a significant moderating effect. $\beta_i > 0$ signifies positive moderating effect

**Source: Author Computation (2020)**

### 3.9 Ethical Considerations

Before the research was undertaken permission was sought from the relevant authorities; first, a letter of introduction was obtained from the dean, School of Business and Economics, Masinde Muliro University of Science and Technology. The research permit from the National commission of science and Technology

[NACOSTI] was applied for and attached (Appendix III). Finally permission from the selected tea factories in Nandi County was sought from the relevant authorities so as to allow the study to be carried out.

The dignity and privacy of every individual participating in the research was protected. The sources of personal information obtained were kept confidential and respected. The consent of research subjects was obtained in advance. No individual became research subject unless he or she had been given prior notice requesting for his or her participation. No pressure or inducement of any kind was applied to encourage an individual to become a research subject. Before an individual becomes a research subject, he or she was notified of the aims, methods and benefits of the research.

All research work was consistent with the ethical standards of the respondents and intellectual property rights respected through strict acknowledgement of sources of information and their authors. Scientific dishonesty which includes plagiarism, fabrication and falsification, faulty data gathering procedures and misleading authorship was avoided at all cost. The research was conducted in a competent fashion, as an objective, scientific project without bias in design, data interpretation, data analysis and methodology.

## **CHAPTER FOUR**

### **DATA ANALYSIS, INTERPRETATION AND DISCUSSION**

#### **4.1 Introduction**

This chapter sought to analyse the responses of the respondents who participated in the study with the aim of answering the research objectives. The demographic characteristics of the respondents were also evaluated. The study objectives were to; determine the Labour market strategies and programs influence on performance, assess the social assistance and welfare service programs role on performance, examine the effect of micro – area based schemes and performance and assess the moderating effect of the government policy on social protection strategies and its effect on performance of tea firms in Nandi-Hills Sub County, Nandi County. Descriptive statistical analysis was employed in presentation of the findings. The chapter also presents correlations and regression analysis, hypothesis testing, and inferences drawn from the analysis.

#### **4.2 Response Rate**

In this study 192 questions were filled out and returned out of a total of 214 which were distributed to the sampled respondents. As a result, 192 were correctly filled and these were the ones used once for the study, which represented an answer rate of 89.72 per cent. The results are shown in Table 4.1.

**Table 4.1: Questionnaire Return Rate**

		Frequency	Percent
Valid	Returned	192	89.72
	Not Returned	22	10.28
	Total	214	100.0

**Source: (Researcher, 2020)**

The study showed that the researcher used different strategic strategies contributing to the high response rate. In the midst of an interview with main sources, for example, the research scientist hired a research assistant to distribute and collect questionnaires.

#### **4.3 Reliability and validity tests**

A reliability of an instrument was calculated by maintaining an internal accuracy approach followed by a pilot study as a way of testing what it is supposed to measure. If the Cronbach alpha coefficient is high above 0.70 a questionnaire is considered accurate (Katou, 2008). Table 4.2 shows the four independent variables (Labour market strategies, Social Assistance and Social Programs, Microfinance Services) and Dependant (Performance) testing using SPSS. Table 4.1 shows the results obtained.

10% of the sample size which translates to 21 participants was used in the pilot study. The results indicated that all the variables obtained had Cronbach's Alpha greater than 0.7 thereby achieving the recommended 0.7 for internal consistence of data (Mugenda&Mugenda, 2008).

**Table 4.2: Reliability test**

Variable	Cronbach alpha
Labour market strategies	.803
Social assistance and welfare programs	.723
Micro-finance services	.739
Performance	.795

**Source: (Researcher, 2020)**

The validity of the data is the indicator of the calculation by the test (Porter, 2010). Mugenda and Mugenda (2008) describe the degree of validity as the phenomenon under review is defined by the results of the data analysis.

**Table 4.3: Test for validity**

Factors	KMO test	Barlett's test of sphericity		
		Chi-Square	Df	Sig.
Labour market strategies	0.904	271.50	3	0.001
Social assistance and welfare programs	0.816	276.48	3	0.003
Micro-finance services	0.885	318.41	3	0.029
Performance	0.810	275.64	3	0.004

Extraction Method: Principal Component Analysis.

**Source: (Researcher, 2020)**

According to Table 4.3, the sampled KMO value of greater than 0.5 was adequate by Kaiser – Meyer-Olkin to suggest that the sample size was sufficiently good for the sample information to be viewed as normally distributed. The research sphericity of Bartlett, which evaluated the null hypothesis "item to item correlation matrix based on the responses obtained from the respondents for all the successful variables, was an

identity matrix." The Bartlett's test was evaluated through chi-square test having as shown in Table 4.3 for the entire variables and were all significant at 0.000 level of significant, indicating that null hypothesis is rejected.

Factor loadings and communalities based on a principal component's analysis with Varimax rotation was conducted to provide best-defined factor structure for study variables. In factor analysis communalities show the extent which a test item correlates with all other test item. A higher communality was considered better. In this research each of the variables had between 4 to 7 constructs that had factor loadings more than 0.4 hence they were subjected to further analysis (Tabachnick&Fidell, 2007) performance had six constructs and all of them had factor loading more than 0.4 as shown in Table 4.4.

**Table 4.4: Factor Loadings for Performance**

<b>NO</b>	<b>Performance</b>	<b>Factor Loading</b>	<b>Verdict</b>
1.	Fixed physical assets such as motor vehicles and working equipment in the estate have been increasing	.864	Retained
2.	The estate has been investments in other industries	.885	Retained
3.	The company's financial records have shown increase in profitability	.753	Retained
4.	The company is able to pay all its workers on time	.742	Retained
5.	The quantities of tea produced by the estate this year have grown	.576	Retained
6.	The company revenues from exports have steadily grown annually	.756	Retained

**Source: (Researcher, 2020)**

From the table 4.5, six performance construct factors had factor loadings between 0.576 and 0.885. These factors were retained for further analysis. Tabachnick and Fidell (2007) recommend factors with factor loadings more than 0.40 are retained for further analysis while those with factor loadings less than 0.4 to be dropped in further analysis. The same procedure was done on all variables for which their factor loadings were found to be greater than 0.4 hence all were included in the analysis as per appendix IV.

**Table 4.5: Test Items Dropped.**

<b>Variable</b>	<b>Composite measure</b>	<b>Test dropped</b>	<b>items Retained items</b>
Performance	6	0	6
Labour market strategies	6	0	6
Social assistance and welfare service strategy	7	0	7
Micro – Area Based Schemes	6	0	6
Government Policy	8	0	8

**Source: (Researcher, 2020)**

#### **4.4 Demographic Characteristics of the respondents**

This section contains the analysis of information on respondent’s years of service in the organization, and gender. The main purpose of this was to find out any trend from the respondents profile that was directly linked to the variables of the study. The summary of the findings is as shown in Table 4.6.

**Table 4.6: Demographics of the Respondents**

<b>Gender</b>	<b>Frequency</b>	<b>Percent</b>
<b>Male</b>	84	43.8
<b>Female</b>	108	56.2
<b>Total</b>	192	100
<b>Education</b>		
<b>No Formal Education</b>	75	39.1
<b>KCPE</b>	106	55.2
<b>KCSE</b>	8	4.2
<b>Diploma</b>	3	1.6
<b>Total</b>	192	100
<b>Age Bracket</b>		
<b>Below 18 Years</b>	51	26.6
<b>18 - 35 Years</b>	134	69.8
<b>35 - 50 Years</b>	7	3.6
<b>Total</b>	192	100
<b>Experience</b>		
<b>Less than 5 Years</b>	47	24.5
<b>5 - 10 Years</b>	108	56.2
<b>11 - 15 Years</b>	37	19.3
<b>Total</b>	192	100

**Source: (Researcher, 2020)**

The study findings on the respondents demographics indicated that 84 (43.80%) of the respondents were male while 108 (56.20%) of the respondents were female. The variations were small hence the data collected could not have been biased based on gender. The study findings also indicated that 75 (39.10%) of the respondents had no formal education, 106 (55.20%) had KCPE certification, 8 (4.20%) had KCSE certification and 3 (1.60%) had diploma certification. This indicated that tea workers of different educational backgrounds had been selected to participate in the study.

The study findings also indicated that 51 (26.60%) were below 18 years, 134 (69.80%) were aged between 18 and 35 years, 7 (3.60%) were aged between 35 and 50 years. This results were interpreted to mean that different age groups of employees

had been sampled hence the results could not have been biased. On the number of years the workers had worked in the respective tea firms the study findings indicated that 47 (24.50%) of them had worked for less than 5 years, 108 (56.20%) had worked for between 5 – 10 years, 37 (19.30%) had worked for between 11 – 15 years. This results were interpreted to mean that different age groups of employees had been sampled hence the results could not have been biased.

#### **4.5 Descriptive Statistics**

The study sought the respondents' views on non-monetary rewards, personal factors and organizational performance. Descriptive analysis for this section used percentages, frequencies, means and standard deviation to show the response from the respondents as shown in the tables below for each variable. The respondents were required to state their level of agreement on various statements on each variable. The level of agreement ranged from 1-strongly disagree, 2-disagree, 3-Not sure, 4-agree and 5- strongly agree. The results are as follows.

##### **4.5.1 Labour market strategies**

The study sought to establish the Labour market strategies being employed in the tea estates in Nandi county offices. The study findings were presented in table 4.7.

**Table 4.7: Descriptive Statistics on Labour Market Policy**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Percentage Mean</b>
Working hours are fixed	192	4.162	1.068	63.23
The firm is keen to implement minimum pay policy	192	4.057	1.093	61.15
Overtime is compensated	192	4.047	1.040	60.94
Workers receive rewards and incentives for good work	192	3.948	1.265	58.96
Dismissal is procedural and fair	192	4.144	1.110	62.87
Supervision is moderate and just	192	4.897	0.838	25.94

**Source: Researcher (2020)**

The study findings indicated that 63.23% (mean = 4.162) of the respondents were of the opinion that working hours are fixed, 61.15% (mean = 4.057) of the respondents were of the opinion that the firm is keen to implement minimum pay policy, 60.94% (mean = 4.047) noted that overtime is compensated, 58.96 (mean = 3.948) of the respondents noted that workers receive rewards and incentives for good work, 62.87% (mean = 4.144) noted that dismissal is procedural and fair and 25.94% (mean = 4.897) of them noted supervision is moderate and just

These study findings indicated that the main labour policy was that the tea estates follow fixed number of working hours. This is interpreted to mean that tea estates are keen to ensure that workers work for the required number of hours. These findings are in line with Donte (2017) who noted that tea workers in Sri-Lanka work for a fixed 45 hours and are sometimes required working for even more hours depending on the amount of work present on a given day.

These results are in agreement with Besigwe (2011) who carried out a study on quality supervision and organizational performance in Mairye Estate - Uganda and concluded that there is a positive relationship between quality supervision and organizational performance. Supervisors with high relationship behaviour strongly impact on organizational performance. Wech (2002) supports this view by adding that supervisory behavior strongly affects the development of trust in relationships with employees. The author further postulates that trust may, in turn, have a significant relationship with organizational performance.

#### **4.5.2 Social Assistance and Welfare Service Strategy**

The study sought to establish the Social Assistance and Welfare Programs being employed in the tea estates in Nandi tea estates. The study findings were presented in table 4.8.

**Table 4.8: Descriptive Statistics on Social Assistance and Welfare Programs**

	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>	<b>Percentage Mean</b>
In case a worker needs relief support due to emergencies such as sickness the firm covers for this	192.00	3.115	1.170	62.29
The firm supports families of workers who die	192.00	3.042	1.106	60.83
The firm covers for workers accidents	192.00	3.979	1.206	59.58
There are dispensaries in the estate for all workers	192.00	4.074	1.160	59.48
There are shopping centres which workers have access	192.00	4.648	1.166	58.96
There are schools in the tea estate for workers children	192.00	4.643	1.347	58.85
Natural calamities affecting workers are covered by the firm	192.00	4.776	1.325	35.52

**Source: Researcher (2020)**

The study findings indicated that 62.29% (mean = 3.115) of the respondents were of the opinion that In case a worker needs relief support due to emergencies such as sickness the firm covers for that, 60.83 (mean = 3.042) noted that the firm supports families of workers who die, 59.58 (mean = 2.979) were of the opinion that the firm covers for workers accidents, 59.48% (mean = 4.074) opined that there are dispensaries in the estate for all workers. The results also indicated that 58.96% (mean = 4.648) of the respondents were of the opinion that there are shopping centres which workers have access, 58.85% (mean = 4.643) noted that there are schools in the tea estate for workers children and 35.52% (mean = 4.776) were of the opinion that natural calamities affecting workers are covered by the firm.

The main findings that the main Social Assistance and Welfare Program in place is that in case a worker needs relief support due to emergencies such as sickness the firm covers for this can be interpreted to mean that the tea estate management do not want to engage in committed Social Assistance and Welfare Programs and hence would prefer to engage in the occasional programs which do not cost much. These findings are contradicted by Kaleshi (2017) who noted that tea estate workers have no direct fixed social benefits that they can reap from the tea companies and when they have access to this they are far spread.

#### **4.5.3 Micro Finance Services**

The study sought to establish the micro finance services being employed in the tea estates in Nandi tea estates. The study findings were presented in table 4.9.

**Table 4.9: Descriptive Statistics for Micro Finance Services**

	N	Mean	Std. Deviation	Percentage Mean
The firm trains workers on investments	192	3.950	0.992	65.00
Workers have access to group loans from the firm	192	4.024	1.244	64.48
The firms offers financial management training to workers	192	4.009	1.040	62.19
Workers have access to personal loans from the firm	192	3.942	1.214	60.83
The firm supports workers table banking operations	192	4.870	1.120	57.40
Workers can receive saving services from the firm	192	4.193	1.407	43.85

**Source: Researcher (2020)**

The study findings indicated that 65% (mean = 3.950) of the respondents were of the opinion that the firm trains workers on investments, 64.48% (mean = 4.024) opined that workers have access to group loans from the firm, 62.19% (mean = 4.009) were of the opinion that the firms offers financial management training to workers, 60.83% (mean = 3.942) noted that workers have access to personal loans from the firm. Study findings also indicated that 57.40% (mean = 4.87) of the respondents were of the opinion that the firm supports workers table banking operations and 43.85% (mean = 4.193) of the respondents were of the opinion that workers can receive saving services from the firm.

These findings that the tea firms train workers on investments can be interpreted to mean that the tea firms once in a while go out of their way to ensure that their workers are ready for retirement because they do not offer for retirement packages. They want to ensure that their employees are ready to deal with life after retirement. This

findings are supported by Mushi (2018) who noted that good companies should assist their employees cover for life after retirement by ensuring that they assist them make necessary savings, undertake the necessary retirement contributions among other financial retirement strategies at the disposal of the company. Yildirim, Abukan, and Oztas (2017) insist that employee assistance programs are necessary because workers may feel worn out and tired emotionally when appropriate working conditions are not provided. This situation causes emergence of emotions such as psychological stress and weakness. Musyoka (2012) concluded that teachers unions like the teacher's trade unions play a key role in promoting the welfare of teachers, not only by fighting for salary increments but also by running income generating activities and other welfare programmes including savings and credit societies, burial and benevolent fund, children education schemes, enterprises and building proposals. These welfare activities motivate the teachers, hence enhance their performance

#### **4.5.4 Government Policy**

The study sought to establish the government policy being employed in the tea estates in Nandi tea estates. The study findings were presented in table 4.10.

**Table 4.10: Descriptive on Government Policy**

	N	Mean	Std.	Percentage
The government has reduced taxation to	192	4.027	1.292	58.54
Tea estates receive government subsidies	192	4.124	1.216	54.48
Government assists in marketing and	192	3.583	0.882	71.67
Government offers research and	192	4.901	1.124	38.02
Structural policies flexibility have	192	4.167	0.917	63.33
Government regulates NHIF and NSSF	192	4.016	0.872	63.12
County licensing is considerate of the	192	4.013	1.016	66.25
Government is keen to reform tea	192	3.924	1.006	64.48

**Source: Researcher (2020)**

The study findings indicated that a majority of the respondents 71.67% (mean = 3.583) were of the opinion that Government assists in marketing and promotion of tea outputs in the global market, 66.28%(Mean = 4.013) of the respondents were of the opinion that County licensing is considerate of the firms operating economic environment, 64.48% (Mean = 3.924) were of the opinion that Government is keen to reform tea institutions e.g. KTDA, 63.33% (Mean = 4.167) were of the opinion that Structural policies flexibility have allowed the tea estate increase size of land under cultivation.

The study findings also indicated that 63.12% (Mean = 4.016) were of the opinion that Government regulates NHIF and NSSF contributions by workers, 58.54% (Mean = 4.027) of the respondents were of the opinion that the government has reduced taxation to tea estates, 54.48%(Mean = 4.124) of the respondents were of the opinion

that Tea estates receive government subsidies 38.02% (Mean = 4.124) of the respondents were of the opinion that Government offers research and extension services to tea estates.

The results of this study can be interpreted to suggest that the overall economic and social development of Kenya depends heavily on agriculture growth and development. Tea is actually Kenya's only major cash crop, contributing significantly to the economy. Small-scale farmers continue to play an important role in the Kenyan tea cultivation; small-scale farms account for up to 60 % of the total country's production, while large-scale tea estates account for 40%. Three million workers in the tea industry – directly and indirectly – constitute nearly 10 percent of the population.

This study finding are supported by Kimani, Ettarh, Warren & Bellows, (2014) who notes that it is the role of the government to promote the well-being of the tea farmers. Consequently the government has a role in assisting farmers market their produce to international markets. The study findings are also supported by Munjuri, (2013) who noted that the government is also responsible for the welfare of the workers. The maximum profit available varies considerably between various countries and countries and is also related to the number of employees. Around half the staff received a high sufficient salary to restrict their income by the maximum amount in their State if they had a temporary complete disability. Third, employees who are injured but are allowed to continue to receive permanent part-time compensation for an indefinite duration. An employee who, for example, loses the use of a leg will benefit indefinitely. Usually, these advantages are based on a schedule relating

advantages to particular impairs. A waiting period of three to 7 days shall be imposed for each country legislation prior to the commencement of compensation payments.

#### **4.5.5 Performance of the Nandi Tea Estates**

The study sought to establish the performance of tea estates in the tea estates in Nandi tea estates. The study findings were presented in table 4.19. The study findings indicated that 61.46% (Mean = 3.07) of the respondents were of the opinion that the company's financial records have shown increase in profitability, 58.85% (Mean = 4.94) of the respondents were of the opinion that the company is able to pay all its workers on time 58.33% (Mean = 4.92) of the respondents were of the opinion that the company is able to pay all its workers on time and 56.56% (Mean = 4.83) of the respondents were of the opinion that Fixed physical assets such as motor vehicles and working equipment in the estate have been increasing. The study findings noted that 56.35% (Mean 4.82) of the respondents were of the opinion that the estate has been investments in other industries and 45.21% (Mean = 4.26) were of the opinion that the company revenues from exports have steadily grown annually.

**Table 4.11: Performance of the Nandi Tea Estates**

	N	Mean	Std. Deviation	Percentage Means
Fixed physical assets such as motor vehicles and working equipment in the estate have been increasing	192	4.83	1.119	56.56
The estate has been investments in other industries	192	4.82	1.118	56.35
The company's financial records have shown increase in profitability	192	3.07	1.209	61.46
The company is able to pay all its workers on time	192	4.94	1.019	58.85
The quantities of tea produced by the estate this year have grown	192	4.92	0.934	58.33
The company revenues from exports have steadily grown annually	192	4.26	1.284	45.21

**Source: Researcher (2020)**

In view of the study's findings on profitable tea companies, Kenya 's overall economic and social development is highly dependent on the agricultural sector growth and development. Tea is actually Kenya's only major cash crop, contributing significantly to the economy. Small farmers have played a crucial part in tea cultivation in Kenya, with small farmers contributing up to 60 per cent of the country's total production, while large tea estates contribute 40%. The tea sector employs 3 million people – directly and indirectly – a figure which is translated to about 10 per cent of the population.

Thakur (2009) agrees with the study results, which states that since independence in 1963, tea production and planting has increased rapidly. The output of tea increased to 294 170 tons in 1998 from 18,000 tons in 1963. Increased tea production has ensured Kenya's third-largest position after India and Sri Lanka, with 21 percent of all tea exported worldwide and 10 percent of global tea production in the list of world tea

exporters. Pakistan stands at 37,900,000 Kgs of Kshs as the largest importer of Kenyan tea. 5.7 billion, with total tea imports at a value of 18,600,000 Kgs, the United Kingdom is the third nation. The Netherlands has been ranked 20th with imports of 261 343 Kgs at a Ksh value; 2.81 billion; the Netherlands. 48.6 million.48.6 million.

#### **4.6 Correlation analysis**

The results of correlation analysis are as shown in Table 4.12. The findings indicated that there was a strong positive and significant relationship between Labour market strategies and performance. This is depicted by a Pearson correlation coefficient  $r=0.776$ ,  $p\text{-value}=0.000<0.05$  which was significant at 0.05 level of significance. This implies that increased Labour market strategies results in increase of performance. These findings are in agreement Chacha (2013) found out that a clear labour market policy enhances organizational performance and cultivates a motivated work force. Mike, Charles and Elijah (2014) concluded that Labour market strategies motivates tea factory employees in Kenya to perform. Mwathe, Gachunga and Waiganjo (2017) aimed at establishing the influence of trade unions participation on employee productivity in Technical and Vocational Education Training (TVET) Institutions in Kenya. The study revealed that there is a positive linear relationship between trade union participation and employees' productivity.

However, Jalette and Bergeron (2012) examined impact of industrial relations on organizational performance. Statistical analysis shows that none of dimensions have positive and statistically significant links with productivity. The net effect of this

variable on profitability is negative although not significantly. This study reveals that IR features have a significant impact on organizational performance.

**Table 4.12: Correlation analysis of the study variables**

		LMP	SAW	MABS	GP
LMP=Labour market strategies	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	192			
SAW=Social assistance and welfare service	Pearson Correlation	.251**			
	Sig. (2-tailed)	.000			
	N	192	192		
MABS=Micro – area based schemes	Pearson Correlation	.538**	.599**		
	Sig. (2-tailed)	.000	.000		
	N	192	192	192	
GP=Government Policy	Pearson Correlation	.736**	.536**	.789**	
	Sig. (2-tailed)	.000	.000	.000	
	N	192	192	192	192
Performance of tea firms	Pearson Correlation	.776**	.284**	.552**	.704**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	192	192	192	192

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Source: (Researcher, 2020)**

Furthermore, there was positive significant relationship between social assistance and welfare and performance with a Pearson correlation coefficient  $r=0.286$ ,  $p\text{-value}=0.000 < 0.05$  which was significant at 0.05 level of significance. This implies that increased social assistance and welfare results in an increase of performance of tea firms in Nandi hills Sub-County. According to Joseph and Walker, (2017) found that social assistance and welfare programs are employee services that assist in attending to both personal and professional issues to enhance outcomes for employees and organizations. Sameer (2015) examined impact of welfare facilities on the performance of employees in NGOs in Nairobi. The Welfare facility provided by the Kenya Red Cross has helped the employees to contribute and it has also helped them

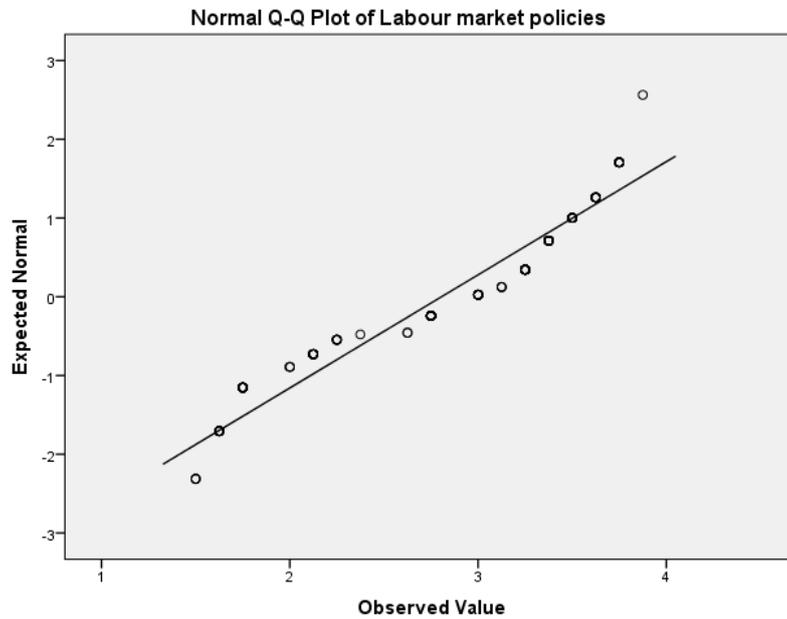
to stay motivated. However, other studies have found dissimilar results for instance, Kamkari et al (2014) examined impact of Impact of Welfare Services and Benefits on General Inspector's Organization organizational performance. The results indicated that employee welfare services does influence organizational performance, The results indicated that there was positive significant relationship between micro-finance services and performance. This is depicted by a Pearson correlation coefficient  $r=0.552$ ,  $p\text{-value} = 0.001 < 0.05$  which was significant at 0.05 level of significance. This implies that increase in micro-finance services results in an increase in performance. Chou (2015) sampled 319 respondents in Taiwan reveal that social support at workplace contributes directly to organizational performance. Alshuwairekh (2016) studied the effectiveness of employee training programs on performance of employees. The study findings show that there is a positive relationship between training programs and employees performances in private sector in Saudi Arabia. Most of the respondents agreed that training improves skills and knowledge they possess and helps them to solve problems. However, Charoensukmongkola et al (2013) investigated the role of micro-based schemes on organizational performance, specifically, coworker and supervisor support on performance. The results from partial least square regression show that co-worker support strongly and negatively associates with emotional exhaustion and depersonalization, while supervisor support strongly and negatively associates with lack of personal accomplishment.

#### **4.7 Diagnostic Test for Linear Regression Analyses**

##### **4.7.1 Normality Tests**

Ghasemi and Zahedias (2012) recommend that normality be assessed visually. From Figure 4.1, normal Q-Q plot of Labour market strategies the deviation from normality

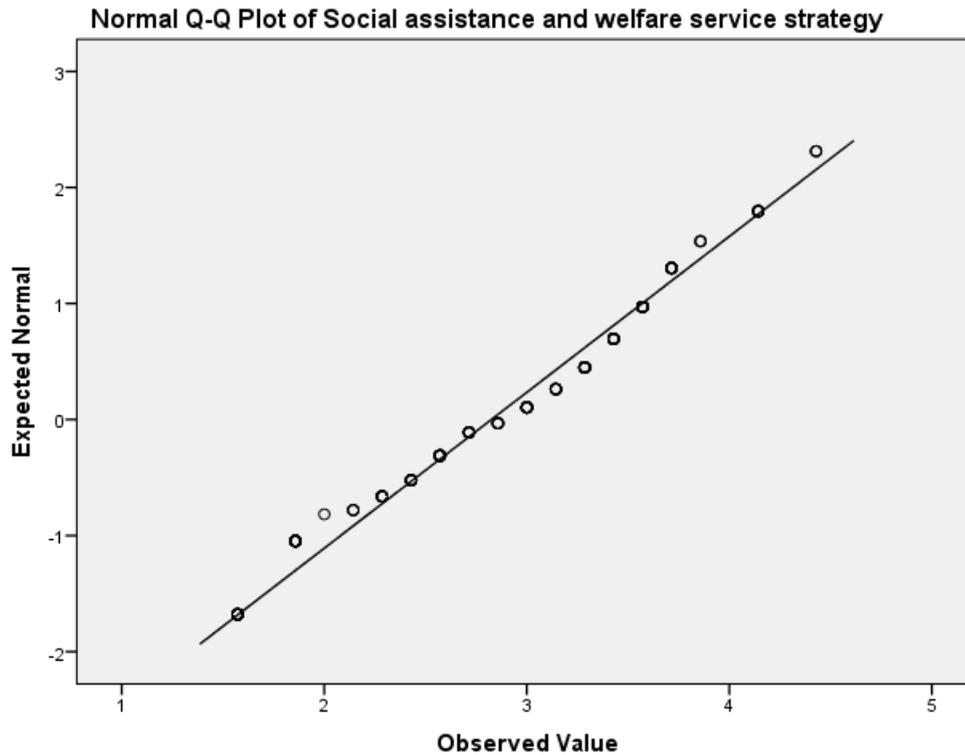
was not much as from the approximation to the line of fit. Therefore, the data was near normal distribution and hence could be used in a regression analysis.



**Figure 4.1: Normal Q-Q plot of Labour market strategies**

**Source: Researcher (2020)**

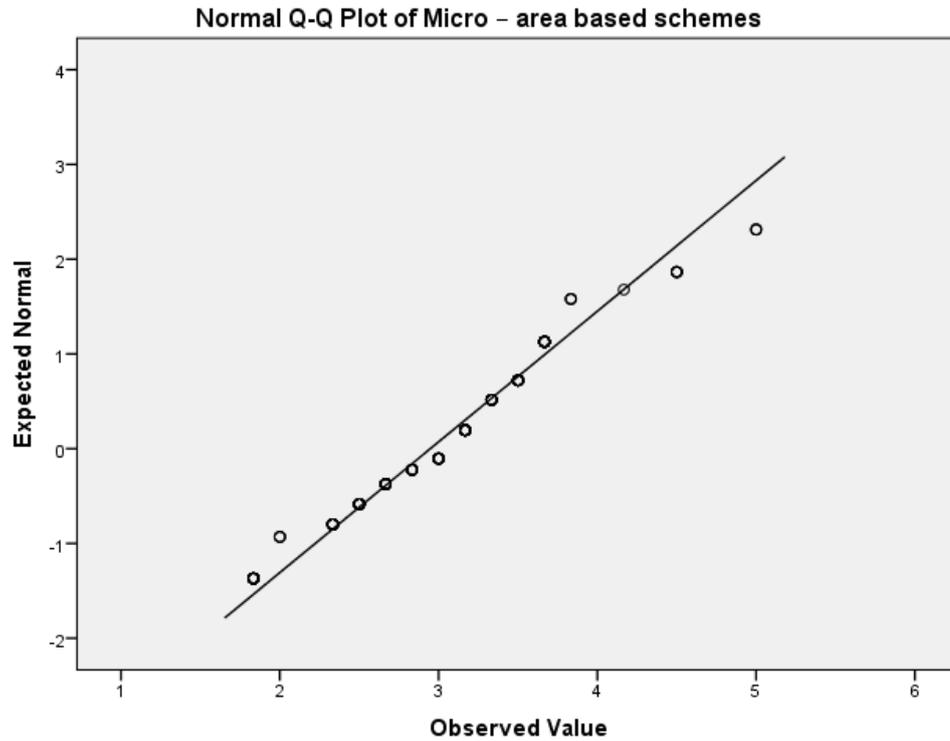
From Figure 4.2, normal Q-Q plot of social assistance and welfare service strategy the deviation from normality was not significant as from the approximation to the line of fit. Hence, the data had almost normal distribution and hence could be used for parametric test such as linear regression.



**Figure 4.2: Normal Q-Q plot of social assistance and welfare service strategy**

**Source: Field Data (2019)**

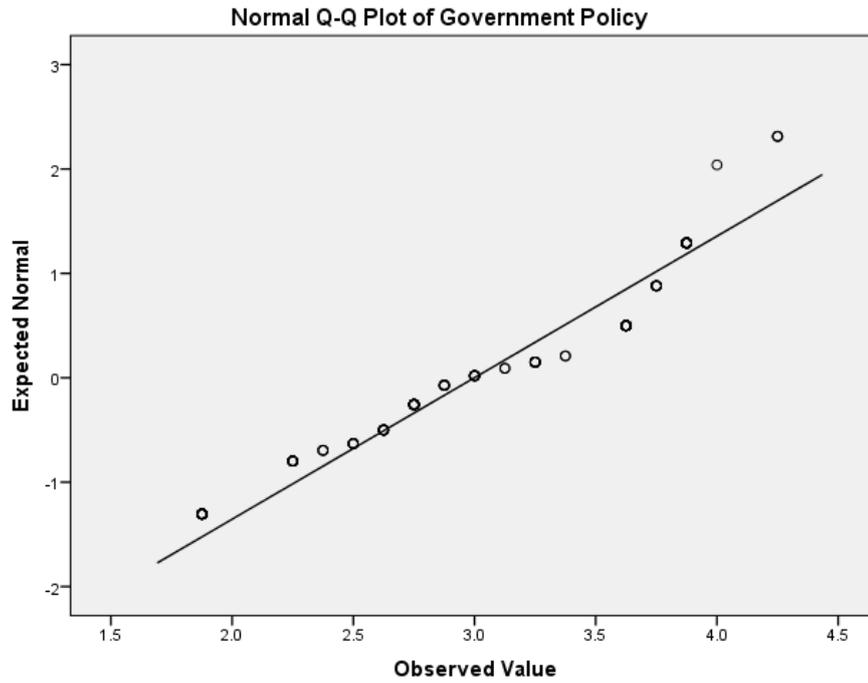
From Figure 4.3, normal Q-Q plot of micro – area based schemes departure from normality was not great as from the approximation to the line of fit. Hence, the data had near normal distribution and hence could be used for parametric test such as linear regression.



**Figure 4.3: Normal Q-Q plot of micro – area based schemes**

**Source: Researcher (2020)**

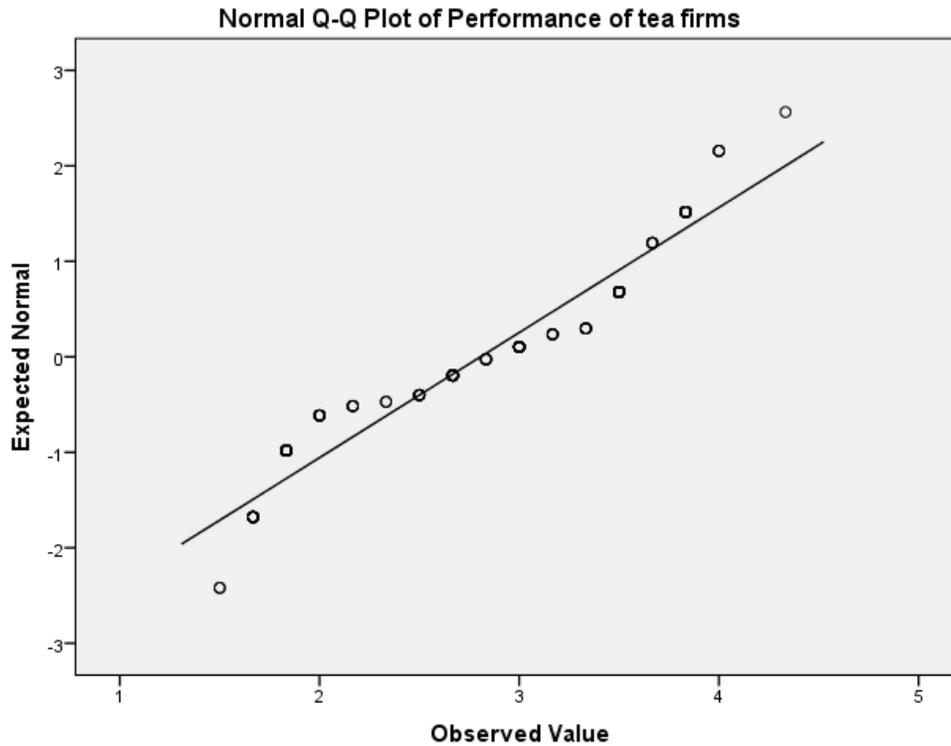
From Figure 4.4 Normal Q-Q plot of government policy the departure from normality was not much as from the approximation to the line of fit. Thus the data was near normal distribution and hence could be used for parametric tests.



**Figure 4.4: Normal Q-Q plot of government policy**

**Source: Researcher (2020)**

From Figure 4.5 Normal Q-Q plot of performance the departure from normality was not much as from the approximation to the line of fit. Thus the data was near normal distribution and hence could be used in a regression analysis.



**Figure 4.5: Normal Q-Q plot of Performance**

**Source: Researcher (2020)**

#### **4.7.2 Auto-correlation**

**Table 4.13: Autocorrelation Test for Regression**

<b>Std. Error of the Estimate</b>	<b>Durbin-Watson</b>
.46972	1.747

**Source: Researcher (2020)**

Test of independence was done by the use of Durbin-Watson. It tests that the residuals from a linear regression or multiple regression are independent. When Durbin-Watson factors are between (1.5) and (2.5) there is no autocorrelation problem (Alsaeed, 2005) from table 4.13 the Durbin Watson value is between 1.5 and 2.5 hence there was no problem of autocorrelation.

### 4.7.3 Collinearity Tests

Multi-collinearity is where two or more independent variables are highly correlated. When multi-collinearity increases, it makes the regression coefficient to fluctuate which complicates the interpretation of the coefficient as an indicator of predicting variables (Cooper & Schindler, 2011). Multi-collinearity was tested using variance inflation factors (VIF) or tolerance values. If VIF values are below 10 then rule of the thumb is there is no multi-collinearity problem or when the tolerance values have a value of one or less hence no multi-collinearity. The summary of the findings is as shown in Table 4.14.

**Table 4.14: Summary table on Collinearity tests**

<b>Strategy</b>	<b>Tolerance</b>	<b>VIF</b>
Labour market strategies	.703	1.423
Social assistance and welfare programs	.634	1.576
Micro-finance services	.481	2.078

**Source: Researcher (2020)**

From the table 4.14 shows the Multi-collinearity test undertaken, in the current study tolerance ranged from 0.481 to 0.703 which are all above 0.2 and therefore its reciprocal, the VIF was between 1.423 and 2.078, which are below the threshold value of 10 as required. This indicated that the data set displayed no multicollinearity.

### 4.8 Simple Linear Regression Analyses

Regression analysis was done to determine the influence of independent variables on the dependent variable. These analysis yielded R which is the coefficient of correlation and R square which is the coefficient of determination. Other results of

interest were Significance level (P-value), B coefficients and F statistics. The study used the correlation  $r$  (Beta,  $\beta$ ) to test the hypothesis. The test criteria are set such that the study rejects the null hypothesis if  $\beta$  is significant, otherwise the study have failed to reject the null hypothesis if  $\beta$  is significant from the t-statistics (Carolynne, Robert & Ayub, 2020).

#### 4.8.1 Labour market strategies and Performance

This section of the research provides information about testing of the research hypotheses.

$H_{01}$ : Labour market strategies and program has no significant effect and performance of tea firms in Nandi County.

**Table 4.15: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 <sup>a</sup>	.602	.600	.48295

**Source: Researcher (2020)**

From the study findings in Table 4.15, the value of R-square is 0.602. This implies that, 60.2% of variation of performance of tea firms in Nandi hills Sub-County was explained by Labour market strategies.

**Table 4.16: ANOVA test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	66.962	1	66.962	287.095	.000 <sup>b</sup>
	Residual	44.316	190	.233		
	Total	111.278	191			

a. Dependent Variable: Performance

b. Predictors: (Constant), Labour market strategies

**Source: Researcher (2020)**

From the findings in Table 4.16, at 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; Labour market strategies is important in predicting of performance of tea firms in Nandi County as indicated by significance value=0.002 which is less than 0.05 level of significance ( $p=0.002 < 0.05$ ). Hence the hypothesis was rejected and concluded that there is statistical significant mean difference between labour market and performance.

**Table 4.17: Coefficients of the Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.418	.145		2.883	.004
	Labour market strategies	.851	.050	.776	16.944	.000

a. Dependent Variable: performance

**Source: Researcher (2020)**

From Table 4.17, the study findings revealed that Labour market strategies had significant influence on organizational performance of tea firms in Nandi County (t-statistic=16.944, p-value=0.000 < 0.05). Therefore at 5% level of significance the null hypothesis was rejected, indicating that Labour market strategies had significant relationship with performance of tea firms in Nandi County. Thus, for every unit increase in Labour market strategies there was a corresponding increase on organizational performance of tea firms in Nandi County by 0.851.

The results indicated labour market strategies are a significant predictor of organizational performance of tea firms in Nandi County. This implied increase in labour market strategies such as working hours are fixed, implementation of minimum pay policy, Overtime is compensation, workers receive rewards and incentives for good work, Dismissal which procedural and fair and supervision is moderate and just will lead to increase in organizational performance. Gichaba, (2013) found that in the public sector, employees with collective bargaining rights earn 5-8% more than those without such rights. Trade unions lead employees in their negotiations and agreement with their employers on appropriate payment and work conditions According to Ale (2002) collective bargaining is used by workers to get organized and negotiate working conditions with their employees on expectations of wages, working hours and employment conditions.

Pencavel (2009) argued that elected leaders of trade unions negotiate with employers on behalf of ordinary members of the union for better working conditions. Favourable working environment, attractive salary package, participative management and regular promotion are the main factors influencing workers to exhibit high productivity. Kumi (2013) found that trade unions have played very significant roles in

areas such as employees wage negotiations, dispute resolution, job security, promotions as well as fighting against employee victimization and collective bargaining. Agola (2016) found out that the involvement of teachers in the trade unions helped them increased their performance since they rest were assured of their welfare matters and also that their voices as one would sent a strong message to their employer who would on the other hand act swiftly.

However, Manda (2005) established unionized low level employees earn more in the public sector than those in comparable positions in the private sector. Adi and Sambe (2018) concluded that teachers in private primary schools with no trade unions in Cross River State attend school more regularly than teachers in public schools who are members of trade union in the state.

#### **4.8.2 Social Assistance and Welfare Programs and performance**

H<sub>02</sub>: Social Assistance and Welfare Programs has no significant effect and performance of tea firms in Nandi County

**Table 4.18: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.284 <sup>a</sup>	.080	.076	.73388

**Source: Researcher (2020)**

From the study findings in Table 4.18, the value of R-square is 0.080. This implies that, 8/0% of variation of performance of tea firms in Nandi-hills Sub County, Nandi County was explained by social assistance and welfare programs.

**Table 4.19: ANOVA test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.946	1	8.946	16.611	.000 <sup>b</sup>
	Residual	102.331	190	.539		
	Total	111.278	191			

a. Dependent Variable: performance

b. Predictors: (Constant), social assistance and welfare programs.

**Source: Researcher (2020)**

From the findings in Table 4.19, at 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; social assistance and welfare programs is important in predicting of performance of tea firms in Nandi-hills Sub County, Nandi County as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000 < 0.05$ ).

**Table 4.20: Coefficients of the Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.985	.208		9.523	.000
	Social assistance and welfare programs.	.291	.071	.284	4.076	.000

a. Dependent Variable: performance

**Source: Researcher (2020)**

From Table 4.20, the study findings revealed that social assistance and welfare programs had significant influence on performance of tea firms in Nandi-hills Sub County, Nandi County (t-statistic=4.076, p-value=0.000< 0.05). Therefore at 5% level of significance the null hypothesis was rejected, indicating that social assistance and welfare programs had significant relationship with performance of tea firms in Nandi-hills Sub County. Thus, for every unit increase in social assistance and welfare programs there was a corresponding increase on performance of tea firms in Nandi-hills Sub County by 0.291. Therefore, relief support to workers, funeral support, accident cover, health facilities, shopping centres and schools in tea estates significantly influence performance.

These findings concurred with Chatterjee, Wadhwa and Patel (2018) who revealed that employee welfare facilities positively and significantly impact on employee retention and there is a positive relationship between employee welfare facilities and employee retention. As a significant factor, welfare facilities should be enriched by the management to retain employees in the organization. Daddie et al. (2018) employee's welfare scheme provided by insurance firms has significant effect on the performance of their employees. Nanda and Panda (2013) suggested that the employee welfare facilities help significantly in enhancing the self-confidence and intellectual level of an employee. This will eventually increase employee productivity in the workplace leading to improved motivation making the employee to be challenged take on more challenging tasks and responsibilities. Mohan and Panwar (2013) argued that welfare facilities and especially recreation services, account for healthy individuals besides increasing among their happiness and emotional quotient. Once

employees are happy they will have a positive attitude towards work leading to higher service delivery within the organization.

However, Tessemaet al. (2015) found that compared to United States of America, recognition of employees in Malaysia and Vietnam does not result to improvement in organizational performance. This was mainly influenced by organizational culture of the organization specifically the process of selecting who to reward and the perception of employees toward the physical rewards. The study concluded that rewards may increase individual organizational performance but not overall organization performance. Findings from a study by Batti (2014) revealed that many staff in local NGOs felt that the organizations did not reward or recognize them for good or exemplary performance and sanctions against poor performance was something that many of the organizations failed to address or ignored. Some employees felt that as long as another employee linked or perceived to be loyal" to management could perform poorly and remain in service for long without action being taken. This caused tension among employees who felt they worked extra hard to contribute to achievement of organization objectives yet they were not recognized for their efforts. It was also noted that the criteria for allocation of benefits was not clear and was mostly associated with "loyalty" to management rather than performance. Such situations demoralize staff and should be arrested by putting in place clear reward policy which should be applied fairly across all staff members. A culture of performance based reward should also be cultivated.

### 4.8.3 Micro finance services and performance

H<sub>03</sub>: Micro finance services have no significant effect on organizational performance of tea firms in Nandi County

**Table 4.21: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.552 <sup>a</sup>	.304	.301	.63824

**Source: Researcher (2020)**

From the study findings in Table 4.21, the value of R-square is 0.304. This implies that, 30.4% of variation of performance of tea firms in Nandi County was explained by micro finance services.

**Table 4.22: ANOVA test**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	33.881	1	33.881	83.173	.000 <sup>b</sup>
	Residual	77.397	190	.407		
	Total	111.278	191			

a. Dependent Variable: performance

b. Predictors: (Constant): Micro finance services

**Source: Researcher (2020)**

From the findings in Table 4.22, at 0.05 level of significance the ANOVA test indicated that in this model the independent variable namely; micro finance services is important in predicting of performance of tea firms in Nandi County as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000 < 0.05$ ).

**Table 4.23: Coefficients of the Model**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.094	.193		5.656	.000
Micro finance services	.581	.064	.552	9.120	.000

a. Dependent Variable: performance

**Source: Researcher (2020)**

From Table 4.23, the study findings revealed that Micro finance services had significant influence on organizational performance of tea firms in Nandi County (t-statistic=9.120, p-value=0.000 < 0.05). Therefore at 5% level of significance the null hypothesis was rejected, indicating that micro finance services had significant relationship with performance of tea firms in Nandi County. Thus, for every unit increase in micro finance services there was a corresponding increase on organizational performance of tea firms in Nandi County by 0.581.

The study established that microfinance services and programs are significant predictor of organizational performance. Therefore, training employees on investments, access to group loans, financial management training, access to personal

loans, table banking support and saving services from the firm improves organizational performance. The results are in agreement with Chou (2015) sampled 319 respondents in Taiwan reveal that social support at workplace contributes directly to organizational performance. Alshuwairakh (2016) studied the effectiveness of employee training programs on performance of employees. The study findings show that there is a positive relationship between training programs and employees performances in private sector in Saudi Arabia. Most of the respondents agreed that training improves skills and knowledge they possess and helps them to solve problems.

However, Sastera and Mauludin (2018) found that microfinance employee benefits have negative impact but not significant on employee morale; facilitative employee benefits have a positive and significant impact on employee morale; services employee benefits have a positive and significant impact on employee morale; and employee morale have a positive and significant impact on employee performance.

#### **4.9 Multiple Linear Regression**

Objective of this study sought objective of the study was to establish the relationship between employee welfare strategies and their performance at tea firms: a case of Nandi County. This was achieved by carrying out standard multiple regressions. The study was interested in knowing the effect of each of or employee welfare strategies on organizational performance when all these constructs were entered as a block on the model. This aided in coming up with the coefficients of the study model as well as R square of the study hence, test the null research hypotheses. The results are as shown in Table 4.24.

**Table 4.24: Model Summary**

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.792 <sup>a</sup>	.627	.621	.46972	1.747

a. Predictors: (Constant), Micro – area based schemes, Labour market strategies, Social assistance and welfare service strategy  
b. Dependent Variable: Performance of tea firms

In Table 4.24, the findings established that the linear relationship between performance and the three predictor variables; the Micro – area based schemes, Labour market strategies, Social assistance and welfare service strategy is positive and linear. The coefficient of correlation was 0.792, ( $r=0.792$ ). The coefficient of determination ( $r^2$ ) was 0.627, and this shows that 62.7% of the variations in the performance can be explained by the three predictor variables in the study and the remaining 37.3% of the variations in performance is explained by other factors not captured in the model.

**Table 4.25: ANOVA Table**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	69.798	3	23.266	105.450	.000 <sup>b</sup>
Residual	41.480	188	.221		
Total	111.278	191			

a. Predictors: (Constant), Labour market strategies, social assistance and welfare programs, and micro-finance services.

b. Dependent Variable: performance

**Source: Researcher (2020)**

The ANOVA test is used to determine whether the model is important in predicting the performance of tea firms in Nandi County. At 0.05 level of significance the ANOVA test indicated that in this model the independent variables namely Labour market strategies, social assistance and welfare programs, and micro-finance services were predictors of performance of tea firms in Nandi County as indicated by significance value=0.000 which is less than 0.05 level of significance ( $p=0.000<0.05$ ).

**Table 4.26: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	.143	.174		.822	.412
Labour market strategies	.739	.058	.674	12.691	.000
Social assistance and welfare programs	.001	.057	.001	.024	.981
Micro finance services	.198	.068	.188	2.936	.004

a. Dependent Variable: performance

**Source: Researcher (2020)**

Letting  $Y$  be performance,  $X_1$  be Labour market strategies,  $X_2$  be social assistance and welfare programs, and  $X_3$  be micro-finance services, using the regression coefficients in Table 4.34, we have;

$$\text{Performance} = 0.143 + 0.739 X_1 + 0.001 X_2 + 0.198 X_3$$

X<sub>1</sub>=Labour market strategies

X<sub>2</sub>= Social assistance and welfare programs

X<sub>3</sub>= Micro finance services

From the equation above when Labour market strategies is increased by one unit performance will increase by 0.739, a unit increase in social assistance and welfare programs will result to 0.001 increase in performance, a unit increase in micro-finance services practices will result in 0.198 increase in performance.

From the findings in Table 4.34 above; at 5% level of significance, Labour market strategies is a significant predictor of performance of tea firms in Nandi county where ( $p=0.000 < 0.05$ ). This implied increase in labour market strategies such as working hours are fixed, implementation of minimum pay policy, Overtime is compensation, workers receive rewards and incentives for good work, Dismissal which procedural and fair and supervision is moderate and just will lead to increase in organizational performance.

The results are in agreement with Patricia et. al, (2010) who stated that the purpose of performance feedback was to determine the necessity to improve workers' performance. Labor market strategies such as trade unions could use this way of providing performance feedback as a way of adding positive efficiency to the workers. As Ganta (2014) stated that most employees needed motivation to feel good about their job and performance optimally. Labour market strategies were responsible for establishing the tendency of giving rewards to the (workers) members as a way of motivating them and improving their performance. Chanzi (2017) found out that collective bargaining meeting, Training to workers, Good working condition and good

relation between workers and trade unions leaders could be used as the ways of influencing workers' performance. Karugaba (2015) showed that trade unions do make regular follow ups on daily workers (members) attitudes and ability of working and it was crucial to provide feedback on how members performed their duties in order to make them to be aware on areas where they were required to improve their performance and areas of sustaining their performance.

However, Nkirote and Kiiru (2018) results of the study indicated the collective bargaining had inverse and statistically significance effect on performance of public universities. Employee welfare and code of regulation had direct and statistically significance effect on performance of public universities. Code of discipline had inverse and statistically insignificance effect on performance of public universities. Jepkorir (2014) reported that trade union had effect on organization through improving interest of workers and workers felt motivated and worked hard and trade union facing challenges because some time it leads to unemployment when they rise up wages. Mwanyenza (2015) indicated that poor performance of trade unions led to the underperformance of employees.

Social assistance and welfare programs was not a significant predictor of performance of tea firms in Nandi county where ( $p=0.981 > 0.05$ ). Micro-finances services was a significant predictor of performance of tea firms in Nandi county where ( $p=0.004 < 0.05$ ). The study established that controlling other variable, increase in social assistance and welfare programs does not influence organizational performance. Therefore, relief support to workers, funeral support, accident cover, health facilities, shopping centres and schools in tea estates does not significantly influence performance. These results agree with Tessemaet al. (2015) who found that not all

employee compensation practices lead to organizational performance improvement. In their study, they found that compared to United States of America, recognition of employees in Malaysia and Vietnam does not result to improvement in organizational performance. This was mainly influenced by organizational culture of the organization specifically the process of selecting who to reward and the perception of employees toward the physical rewards. The study concluded that rewards may increase individual organizational performance but not overall organization performance.

However, the results are in disagreement with Ramya, Arepalli and Laksh (2016) who established that workers welfare programmes and safety and health programmes affected employee satisfaction in public sector. Nanjundeswaraswamy et al (2019) after analysing the empirical data, statistically significant relationships between employees' job satisfaction and the five drives of welfare measures were found. Employee job satisfaction was significantly associated with all five welfare drives. Yamwamu et al. (2012) welfare programs played a major role on the performance of the national police service and it therefore posed challenges on service delivery. Rari& Raja (2016) established that welfare activities promoted economic development by increasing efficiency and productivity with the underlying principle being making workers give their loyal services ungrudgingly in genuine spirit of co-operation.

From the findings in Table 4.34 above; at 5% level of significance, microfinance services is a significant predictor of performance of tea firms in Nandi county where ( $p=0.008 < 0.05$ ). This implied increase in microfinance services such as Training employees on investments, access to group loans, financial management training,

access to personal loans, table banking support and saving services from the firm will lead to increase in organizational performance. According to Chou (2015) sampled 319 respondents in Taiwan reveal that social support at workplace contributes directly to organizational performance. Alshuwairakh (2016) studied the effectiveness of employee training programs on performance of employees. The study findings show that there is a positive relationship between training programs and employees performances in private sector in Saudi Arabia. Most of the respondents agreed that training improves skills and knowledge they possess and helps them to solve problems.

However, Amarteyfio (2012) found that microfinance services have indeed influenced employees' lifestyle both positively and negatively. Poor financial behaviours resulting from poor utilization of the loans negatively impact on the employees themselves as well as the employers. Poor financial behaviours are personal and family money management practices that have consequential, detrimental and negative impacts on one's life at home and/or work. On the part of the employers, the study established the extremely high costs that are incurred by Management as a result of poor financial behaviour resulting from poor utilization of the loan to include the following: Absenteeism, Tardiness, Fighting with co-workers and supervisors, Sabotaging the work of co-workers, Job stress, Reduced employee productivity, Lowered employee morale, Loss of revenue from sales not made, Accidents and increased risk taking and Disability and worker compensation claims

#### **4.10 Hierarchical Linear Regression**

The fourth objective of the study sought to assess the moderating effect of the government policy on the relationship between social protection strategies and

performance of tea firms in Nandi County. Hierarchical regression analysis was performed to determine whether government policies had a moderation role on the relationship between Social protection welfare strategies and organizational performance. The fourth null hypothesis denoted, **H<sub>04</sub>**: Government Policy does not significantly moderator the relationship between social protection strategies and performance of tea firms in Nandi County. The following regression model was estimated:

$$Y = \beta_0 + \beta_1 X_1 * Z + \beta_2 X_2 * Z + \beta_3 X_3 * Z + \beta_4 X_4 * Z + \varepsilon$$

Where Y is organizational performance estimated by government policies interaction Social protection welfare strategies constructs.

X<sub>1</sub>= Labour market strategies

X<sub>2</sub>= Social assistance and welfare service strategy

X<sub>3</sub>= Micro – area based schemes

Z= Government policies

ε =Error Term

To test for this hypothesis, the researcher used SPSS process to run the analysis with control variables controlling for the moderation effect on the relationship between dependent and independent variables. This was achieved by undertaking hierarchical regression analysis consisting of four stages yielding four models. In each step the change in R<sup>2</sup>, F and significance level was noted.

**Stage 1** entailed entering control variables in the model in this case; age, education, work experience and gender of the respondents were added in the model. This yielded model 1.

**Stage 2** the dependent variables (Labour market strategies, social assistance and welfare programs & micro-finance services) were entered in the model. This yielded model 2.

**Stage 3** the moderator variable in this case, government policies was added in the model to yield third model.

**Stage 4** the interaction effect of independent and moderating variables was entered in the model. This is the cross product of government policies and individual independent variables. This yielded the fourth model.

To test for moderation, the study first standardized the predictor variables so as to avoid problem of multi-collinearity. A z –score was computed to specify the precise location of each value within the distribution by indicating whether the score is above the mean (positive) or below the mean (negative). The numerical value of the z-score specifies the distance from the mean by counting the number of standard deviations between X and  $\mu$ . The resultant scores give a distribution that has a mean score of zero and a standard deviation of one.

**Table 4.27: Multiple regression results**

<b>Model Summary</b>										
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Std. Error of Estimate	Change Statistics					
					the R <sup>2</sup> Change	F Change	df1	df2	Sig. Change	F
1	.282 <sup>a</sup>	.079	.065	.96716	.079	5.396	3	188	.001	
2	.808 <sup>b</sup>	.653	.642	.59849	.574	101.98	3	185	.000	
3	.811 <sup>c</sup>	.657	.644	.59671	.004	2.110	1	184	.148	
4	.845 <sup>d</sup>	.714	.699	.54896	.057	12.131	3	181	.000	

a. Predictors: (Constant), Experience, Education, Gender, Age\_Bracket

b. Predictors: (Constant), Experience, Education, Gender, Age\_Bracket, Zscore: Labour market strategies, Zscore: Micro – area based schemes, Zscore: Social assistance and welfare service strategy

c. Predictors: (Constant), Experience, Education, Gender, Age\_Bracket, Zscore: Labour market strategies, Zscore: Micro – area based schemes, Zscore: Social assistance and welfare service strategy, Zscore: Government Policy

d. Predictors: (Constant), Experience, Education, Gender, Age\_Bracket, Zscore: Labour market strategies, Zscore: Micro – area based schemes, Zscore: Social assistance and welfare service strategy, Zscore: Government Policy, Zscore(LAWP\_GP), Zscore(LMP\_GP), Zscore(MFS\_GP)

From Table 4.27, In Model 1, demographic characteristics was found to have a positive and significant relationship with performance of tea firms ( $p=0.001$ ). The  $R^2$  of 0.079 was obtained in this model. This showed that model 1 could explain 7.9 per cent of variance in the dependent variable (performance of tea firms).

In Model 2, all the independent variables were jointly found to have a positive and significant relationship with performance of tea firms ( $p=0.000$ ). The  $R^2$  of 0.653 was obtained in this model. This showed that model 2 could explain 65.3 per cent of variance in the dependent variable (performance of tea firms) with an incremental variance.

Further as indicated 4.23, Model 3, the findings also showed that when government policies was added as a moderator, the results obtained indicated that both independent variables and the moderating variable were insignificantly and jointly related to performance of tea firms ( $p>0.05$ ). The  $R^2$  was 0.644,  $P=0.148$

Finally, to investigate how the government policies moderates the relationship between Social protection welfare strategies and performance of tea firms, the interaction terms of the independent variables (specific variables) and the moderator (government policies) were entered in the regression model to obtain model 4. The resultant model indicated that interaction between Social protection welfare strategies constructs and government policies accounted for significantly more variance than just government policies and Social protection welfare strategies by themselves, ( $R^2 =$

0.714,  $p = .000$ ), indicating that there is a potentially significant moderation effect of government policies on the relationship between social protection welfare strategies and performance of tea firms in Nandi County.

**Table 4.28: Regression Coefficient of Moderating Effect**

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	
	B	Std. Error				
1	(Constant)	1.131	.415	2.724	.007	
	Education	-.455	.133	-.286	.001	
	Age_Bracket	-.126	.177	-.063	.476	
	Experience	-.073	.122	-.048	.554	
2	(Constant)	.520	.305	1.706	.090	
	Education	-.315	.095	-.199	.001	
	Age_Bracket	-.121	.117	-.060	.305	
	Experience	.115	.077	.076	1.505	.134
	Zscore: Labour market strategies	.662	.052	.662	12.735	.000
3	Zscore: Social assistance and welfare	-.077	.063	-.077	-1.222	.223
	Zscore: Micro – area based schemes	.217	.063	.217	3.451	.001
	(Constant)	.404	.314	1.285	.200	
4	Education	-.248	.105	-.156	-2.368	.019
	Age_Bracket	-.143	.118	-.072	-1.215	.226
	Experience	.138	.078	.091	1.766	.079
	Zscore: Labour market strategies	.593	.070	.593	8.457	.000
	Zscore: Social assistance and welfare	-.081	.063	-.081	-1.296	.197
4	Zscore: Micro – area based schemes	.137	.084	.137	1.643	.102
	Zscore: Government Policy	.165	.114	.165	1.453	.148
	(Constant)	.369	.304	1.211	.228	
	Education	-.419	.103	-.264	-4.069	.000
	Age_Bracket	-.252	.117	-.126	-2.152	.033
	Experience	.402	.088	.266	4.591	.000
	Zscore: Labour market strategies	.434	.305	.434	1.423	.156
	Zscore: Social assistance and welfare	1.501	.356	1.501	4.212	.000
	Zscore: Micro – area based schemes	.131	.313	.131	.418	.676
	Zscore: Government Policy	1.628	.399	1.628	4.084	.000
Zscore(LMP_GP)	-.023	.510	-.023	-.045	.964	
Zscore(SAWP_GP)	2.454	.540	-2.454	-4.543	.000	
Zscore(MFS_GP)	-.142	.553	-.142	-.258	.797	

a. Dependent Variable: Zscore: Performance of tea firms

The study second regression model is as shown below from regression coefficient of Table 4.28.

$$Y=0.369+1.628Z-0.023X_1Z-2.454X_2Z -0.142X_3Z$$

**Where**

Y=Performance of tea firms in Nandi County

X<sub>1</sub> Z= Labour market strategies interaction government polices

X<sub>2</sub> Z= Social assistance and welfare service strategy interaction government polices

X<sub>3</sub> Z= Micro – area based schemes interaction government polices

Z= Government policies

The study tested the interaction between social protection strategies, government policy, and performance of tea firms. The presence of the moderating effect implied a major shift in the R-square value. The R<sup>2</sup> of model an adjusted is 0.627 and its R<sup>2</sup> is 0.714 for the main model with governmental policy and interactions are added in the model. The variations in the two cases of R<sup>2</sup> for each model are less than 0.5. This small change means that the models are valid and stable for prediction of social protection strategies and performance of tea firms at 62.7% and 71.4% variance respectively.

Therefore, the significant interaction shows that government policy moderates the relationship between social protection strategies and performance of tea firms. The hypothesis that government policy has no moderating influence on the relationship between social protection strategies and performance of tea firms in Nandi-Hills Sub County, Nandi County was rejected.

The model above shows that government policies significantly affect the intercept and the YX slope. Different Z values (moderator variable) will lead to various intercepts and YX line paths. The unstandardized coefficient of government policy and social assistance and welfare is 2.454. This means that the pitch of social assistance and welfare and the performance of tea companies would increase by 2.454 with each unit rising of government policies. The implication is that a unit increase in government policy increases the slope relating social assistance and welfare and performance of tea firms in Nandi-Hills Sub-County, Nandi County. Mwathe (2018) aimed at establishing the influence of trade unions functions on employee productivity in Technical and Vocational Education Training (TVET) Institutions in Kenya. The study revealed that there is a positive linear relationship between employees' participation and productivity. It also revealed a positive linear relationship between protection of employee's rights and productivity; positive linear relationship between management of collective bargaining and productivity, and a positive linear relationship between employee relation strategies and productivity. It also revealed a positive linear relationship between moderating influence of government policies on high performance work practices and productivity. This shows that the variables under study have a statistically significant influence on productivity.

#### **4.11 Stepwise Regression**

Stepwise regression is a method of fitting regression models in which the choice of predictive variables is carried out by an automatic procedure. In each step, a variable is considered for addition to or subtraction from the set of explanatory variables based on some pre-specified criterion. The results are as shown in Table 4.29.

**Table 4.29: Stepwise Regression**

Variable	R <sup>2</sup>	F Statistics	df1	df2	Sig. F
Labour market strategies	.602	287.095	1	190	.000
Micro – area based schemes	.627	12.922	1	189	.000

**Source: Field Data (2019)**

From Table 4.27 results using R<sup>2</sup> the value increases with addition of each of the independent variables. The F value shows that Labour market strategies and Micro – area based schemes are significant on every addition at 95% confidence level. This results show that for the significant variables the value of R<sup>2</sup> increase in every step to a value of 0.627. Based on the above values it shows that Labour market strategies 62.7% in explaining variance in organizational performance, while the contribution of Micro – area based schemes is 2.5%,

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter seeks to provide a summary of the findings, conclusion and recommendations of the Study. The chapter also provides some suggestions for further studies

#### **5.2 Summary of Findings**

##### **5.2.1 Influence of Labour market strategies on Performance of Tea Firms**

The first objective was to determine the influence of Labour market strategies on organizational performance of tea firms in Nandi County. Majority of the respondents agreed that working hours are fixed, the firm is keen to implement minimum pay policy, overtime is compensated, workers receive rewards and incentives for good work, dismissal is procedural and fair and supervision is moderate and just. Inferential analysis revealed that Pearson correlation results show a moderate relationship between Labour Market Policy and organizational performance among tea firms in Nandi County. Linear regression analysis indicated that labour market policy significantly accounts for variance in organizational performance among tea firms in Nandi County. Multiple regression analysis revealed that when other variables are controlled in the model, a unit change in labour market policy would results to a significant change in performance in the same direction. Hence, labour market policy is useful predicator of organizational performance among tea firms in Nandi County. Therefore, the first null hypothesis was rejected.

### **5.2.2 Influence of Social Assistance and Welfare Programs on Performance of Tea Firms**

The second objective was to assess the effect of social assistance and welfare service strategy on organizational performance of tea firms in Nandi County. Majority of the respondents agreed that the firm covers for workers accidents, there are dispensaries in the estate for all workers, there are shopping centres which workers have access, there are schools in the tea estate for workers children and natural calamities affecting workers are covered by the firm. Inferential analysis revealed that Pearson correlation results show a moderate relationship between Social Assistance and Welfare Programs and organizational performance among tea firms in Nandi County. Linear regression analysis indicated that Social Assistance and Welfare Programs significantly accounts for variance in organizational performance among tea firms in Nandi County. Multiple regression analysis revealed that when other variables are controlled in the model, a unit change in Social Assistance and Welfare Programs would results to insignificant change in performance in the same direction. Therefore, the second null hypothesis was not rejected.

### **5.2.3 Influence of Labour market strategies on Performance of Tea Firms**

The third objective was to examine the effect of micro – area based schemes on organizational performance of tea firms in Nandi County. Majority of the respondents agreed that the firm trains workers on investments, workers have access to group loans from the firm, the firms offers financial management training to workers, workers have access to personal loans from the firm and the firm supports workers table banking operations. Inferential analysis revealed that Pearson correlation results

show a moderate relationship between micro finance services and organizational performance among tea firms in Nandi County. Linear regression analysis indicated that Micro Finance Services significantly accounts for variance in organizational performance among tea firms in Nandi County. Multiple regression analysis revealed that when other variables are controlled in the model, a unit change in Micro Finance Services would results to insignificant change in performance in the same direction. Hence, Micro Finance Services is not useful predicator of organizational performance among tea firms in Nandi County. Therefore, the third null hypothesis was not rejected.

#### **5.2.4 Influence of Labour market strategies on Performance of Tea Firms**

The fourth objective was to assess the moderating effect of the government policy on the relationship between social protection strategies and performance of tea firms in Nandi County. Majority of the respondents confirmed that the government has reduced taxation to tea estates, tea estates receive government subsidies, government offers research and extension services to tea estates, Structural policies flexibility have allowed the tea estate increase size of land under cultivation, government regulates NHIF and NSSF contributions by workers, county licensing is considerate of the firms operating economic environment and government is keen to reform tea institutions e.g. KTDA

Inferential analysis revealed that Pearson correlation results show a moderate relationship between government policy and organizational performance among tea firms in Nandi County. Government policy had significant moderating influence on the relationship social protection strategies and performance. Introduction of

interaction terms increase the value of R square from 62.7% to 71.4% implying that government policy is a significant moderator. Improvement in government policies results to significant increase on the effect Social assistance and welfare on organizational performance of tea firms in Nandi County. Therefore, the third null hypothesis was rejected.

### **5.3 Conclusion**

The study concluded that labour market strategies have significant effect on performance of tea firms Nandi County. Therefore the first null hypothesis was rejected an indication improvement in labour market strategies would results to improvement in organizational performance. The sampled tea firms were keen to implement minimum pay policy; supervision is moderate and just as well as overtime is compensated. This has resulted to improvement in performance especially agricultural outputs growth.

The study also concluded that social assistance and welfare strategy have no significant effect on performance of tea firms Nandi County. In this regard, the second null hypothesis was not rejected an indication increase in social assistance and welfare strategy would not results to significant increase performance. Tea estate management do not want to engage in committed Social Assistance and Welfare Programs and hence would prefer to engage in the occasional programs which do not cost much. Natural calamities affecting workers were covered by the firm, there are dispensaries in the estate for all workers, there are shopping centres which workers have access and there are schools in the tea estate for workers children.

Similarly, the study concluded that micro area based schemes have significant effect on performance of tea firms Nandi County. Therefore, the study rejected the third null hypothesis which postulated improvement in micro area based schemes resulted to improvement performance of tea firms. Workers have accessed to group loans from the firm, workers have accessed to personal loans from the firm, the firm supported workers table banking operations and they received saving services from the firm.

The study concluded that government Policy does significantly moderator the relationship between social protection strategies and performance of tea firms in Nandi County. Government Policy has a significant effect on social protection strategies and performance of tea firms in Nandi County. Tea farming is guided by a labour policy which mainly emphasizes that the tea estates follow fixed number of working hours. Government regulates NHIF and NSSF contributions by workers, Government is keen to reform tea institutions e.g. KTDA

#### **5.4 Recommendations of the Study**

The study made the following research recommendations

1. Human resource departments should revise the labour market strategies for estates to expand in scope to cover for other human resource issues including; overtime compensation, rewards and incentives for good work, dismissal and supervision principals.
2. On social assistance and welfare Programs, the study recommended that tea estates management should develop programs for workers to have direct fixed social benefits that they can reap from the tea companies including retirement packages.

3. There is need for tea estates management to introduce micro finance services including, group loans from the firm, financial management training to workers, personal loans from the firm, workers table banking operations and receive saving services from the firm among others
4. Government agricultural boards need to put more effort in promoting tea estates and not just in marketing. They should be able to promote policy development relating to government subsidies that are effective, better structural policies allowing flexibility to allow the tea estate increase size of land under cultivation and introduce institutional reforms in relation to tea farmers remuneration.

## REFERENCES

- Abdi, A. K. (2018). Strategic Leadership And Organizational Performance Of Tea Estate Companies In Nandi County, Kenya.
- Abuya, T., Maina, T. & Chuma, J. (2015). Historical account of the national health insurance formulation in Kenya: experiences from the past decade. *BMC health services research*, 15(1), 56.
- Adi, O. S., & Sambe, N. (2018). Impact Of Trade Union On Productivity Of Teachers In Public And Private Primary Schools In Cross River State, Nigeria.
- Agola, H. O. (2016). *Effect of teachers trade union activities nonperformance teachers in selected public primary schools in Nairobi county* (Doctoral dissertation).
- Al-dalahmeh, M., Khalaf, R., & Obeidat, B. (2018). The effect of employee engagement on organizational performance via the mediating role of job satisfaction: The case of IT employees in Jordanian banking sector. *Modern Applied Science*, 12(6), 17-43.
- Aldrich, D. P. & Meyer, M. A. (2015). Social capital and community resilience. *American behavioral scientist*, 59(2), 254-269
- Amarteyfio, N. Q. (2012). *The impact of loan acquisition on employees in the Mining Companies in Tarkwa-(A Case Study of Goldfields Ghana Limited)* (Doctoral dissertation).
- Amsden, A. (2013). *International firms and labour in Kenya 1945-1970*. Routledge.
- Angrist, J. D. (2014). The perils of peer effects. *Labour Economics*, 30, 98-108.
- Anyanwu, J. C. (2013). Characteristics and macroeconomic determinants of youth employment in Africa. *African Development Review*, 25(2), 107-129.
- Asfaw, S., Davis, B., Dewbre, J., Handa, S. & Winters, P. (2014). Cash transfer programme, productive activities and labour supply: evidence from a

randomised experiment in Kenya. *The Journal of Development Studies*, 50(8), 1172-1196

Bakokor, S. A., & Antwi, D. E. (2020). The Effect of Trade Union Activities on Employee-Performance; The Case Of Ghana's Food And Drugs Authority. *Gsj*, 8(4).

Barrientos, A., Byrne, J., Villa, J. M. & Peña, P. (2013). *Social transfers and child protection*. Florence: UNICEF Office of Research.

Bernier, Q. & Meinzen-Dick, R. (2014). *Resilience and social capital* (Vol. 4). Intl Food Policy Res Inst.

Bhorat, H., Kanbur, R. & Stanwix, B. (2014). Estimating the impact of minimum wages on employment, wages, and non-wage benefits: the case of agriculture in South Africa. *American Journal of Agricultural Economics*, 96(5), 1402-1419

Bikketi, E., Ifejika Speranza, C., Bieri, S., Haller, T. & Wiesmann, U. (2016). Gendered division of labour and feminisation of responsibilities in Kenya; implications for development interventions. *Gender, Place & Culture*, 23(10), 1432-1449

Blattman, C. & Ralston, L. (2015). Generating employment in poor and fragile states: Evidence from labour market and entrepreneurship programs. *Available at SSRN 2622220*.

Borel-Saladin, J. M. & Turok, I. N. (2013). The impact of the green economy on jobs in South Africa. *South African Journal of Science*, 109(9-10), 01-04.

Burt, R. S. (2017). Structural holes versus network closure as social capital. In *Social capital* (pp. 31-56). Routledge.

Chakravarty, S. & Fonseca, M. A. (2014). The effect of social fragmentation on public good provision: an experimental study. *Journal of Behavioral and Experimental Economics*, 53, 1-9.

- Chanzi, S. S. (2017). *The Role of Trade Union Practices in Improving Workers' Performance in Tanzania: A Case Study of TUICO Head Office–Dar es Salaam* (Doctoral dissertation, The Open University of Tanzania).
- Charoensukmongkola, P., Moqbelb, M., & Gutierrez-Wirschingc, S. (2013). The role of social support at work on job burnout.
- Chatterjee, S., Wadhwa, M., & Patel, D. (2018). A study on employee welfare and its impact on their performance at private hospitals and its research centre-cross sectional descriptive study.
- Cheruiyot, T. & Maru, L. (2014). Corporate human rights social responsibility and employee job outcomes in Kenya. *International Journal of Law and Management*, 56(2), 152-168.
- Chou, P. (2015). The effects of workplace social support on employee's subjective well-being. *European Journal of Business and Management*, 7(6), 8-19.
- Cinner, J. E. & McClanahan, T. R. (2015). A sea change on the African coast? Preliminary social and ecological outcomes of a governance transformation in Kenyan fisheries. *Global Environmental Change*, 30, 133-139.
- Daddie, J. A., Andrews, N. L., Iroanwusi, F. O., & Princewill, O. (2018). Employee welfare schemes and worker performance: A study of selected insurance firms in Portharcourt. *Advance Research Journal of Multidisciplinary Discoveries*, 30(1), 01-09.
- Devereux, S., Roelen, K., Béné, C., Chopra, D., Leavy, J. & McGregor, J. A. (2013). Evaluating outside the box: an alternative framework for analysing social protection programmes. *IDS Working Papers*, 2013(431), 1-26.
- Escudero, V. & Mourelo, E. L. (2014). Understanding the drivers of the youth labour market in Kenya. In *Disadvantaged Workers* (pp. 203-228). Springer, Cham.
- Filmer, D. & Fox, L. (2014). *Youth employment in sub-Saharan Africa*. The World Bank.

- Fiszbein, A., Kanbur, R. & Yemtsov, R. (2013). *Social protection, poverty and the post-2015 agenda*. The World Bank.
- George, G., Kotha, R., Parikh, P., Alnuaimi, T. & Bahaj, A. S. (2016). Social structure, reasonable gain, and entrepreneurship in Africa. *Strategic Management Journal*, 37(6), 1118-1131.
- Gonzalez, R., Gasco, J., & Llopis, J. (2020). Information and communication technologies and human resources in hospitality and tourism. *International Journal of Contemporary Hospitality Management*.
- Hassan, I. B. & Mugambi, F. (2013). Determinants of growth for women owned and operated micro enterprises: The case of Garissa, Kenya. *International Journal of Business and Commerce*, 2(7), 45-55.
- Heshmati, A. & Rashidghalam, M. (2018). Labour productivity in Kenyan manufacturing and service industries. In *Determinants of Economic Growth in Africa* (pp. 259-286). Palgrave Macmillan, Cham
- Imbert, C. & Papp, J. (2015). Labour market effects of social programs: Evidence from india's employment guarantee. *American Economic Journal: Applied Economics*, 7(2), 233-63
- Jalette, P., & Bergeron, J. G. (2002). The impact of industrial relations on organizational performance. *Relations Industrielles/Industrial Relations*, 57(3).
- Jane, N. K., Justus, M. & Francis, K. (2014). Influence of external organizational environment on performance of community-based hiv and aids organizations in nairobi county, kenya. *European Scientific Journal*, 10(28).
- Jensen, N. D., Barrett, C. B. & Mude, A. G. (2017). Cash transfers and index insurance: A comparative impact analysis from northern Kenya. *Journal of Development Economics*, 129, 14-28.
- Kamau, P., Kinyanjui, B., Akinyoade, A., & Mukoko, C. (2018). Assessment of productive employment policies in Kenya. *ASC working paper*.

- Kamkari, K., Ghafourian, H., & Ghadami, M. H. (2014). Impact Welfare Services and Benefits on the Performance of Staff of the Inspector General Organization. *J. Appl. Environ. Biol. Sci*, 4(3), 114-119.
- Kangogo, D., Lagat, J. & Ithinji, G. (2013). The Influence of Social Capital Dimensions on Household Participation in Micro-Credit Groups and Loan Repayment Performance in UasinGishu County, Kenya.
- Khozaim, K., Orang'o, E., Christoffersen-Deb, A., Itsura, P., Oguda, J., Muliro, H. & Rosen, B. (2014). Successes and challenges of establishing a cervical cancer screening and treatment program in western Kenya. *International Journal of Gynecology & Obstetrics*, 124(1), 12-18.
- Kimani, J. K., Ettarh, R., Warren, C. & Bellows, B. (2014). Determinants of health insurance ownership among women in Kenya: evidence from the 2008–09 Kenya demographic and health survey. *International journal for equity in health*, 13(1), 27
- Kithae, P. P., Maganjo, R. & Kavinda, L. (2013). Impact of entrepreneurship training on performance of micro and small enterprises (mSES) in Kenya: a case study of fembu municipality. *International Journal of business and management review*, 1(2), 1-17.
- Kitui, J., Lewis, S. & Davey, G. (2013). Factors influencing place of delivery for women in Kenya: an analysis of the Kenya demographic and health survey, 2008/2009. *BMC pregnancy and childbirth*, 13(1), 40.
- Kumi Joel, M. (2013). *The Trade Union as an avenue for promoting employee satisfaction in the mining industry: The case of AngloGold Ashanti and Newmont Ghana* (Doctoral dissertation).
- Kusimba, S., Chaggar, H., Gross, E. & Kuniyu, G. (2013). Social networks of mobile money in Kenya. *Institute for Money, Technology & Financial Inclusion (IMTFI), Working Paper, 1*.

- Lin, N. (2017). Building a network theory of social capital. In *Social capital* (pp. 3-28). Routledge.
- Lin, N., Fu, Y. C. & Hsung, R. M. (2017). The position generator: Measurement techniques for investigations of social capital. In *Social capital* (pp. 57-81). Routledge.
- Mark, L. & Nzulwa, J. (2018). Effect of career development programs on employee performance in Kenya. a case of national hospital insurance fund. *International Journal of Social Sciences and Information Technology, IV*, 693-709.
- Mbarire, T. T. & Ali, A. I. (2014). Determinants of financial literacy levels among employees of Kenya Ports Authority in Kenya. *Research Journal of Finance and Accounting, 5*(16), 44-52.
- McKenzie, D. (2017). How effective are active labour market policies in developing countries? a critical review of recent evidence. *The World Bank Research Observer, 32*(2), 127-154.
- Mizunoya, S. & Mitra, S. (2013). Is there a disability gap in employment rates in developing countries?. *World Development, 42*, 28-43.
- MohdShariff, M. N., Peou, C., & Ali, J. (2010). Moderating effect of government policy on entrepreneurship and growth performance of small-medium enterprises in Cambodia. *International Journal of Business and Management Science, 3*(1), 57-72.
- Mostert, S., Njuguna, F., Van de Ven, P. M., Olbara, G., Kemps, L. J. P. A., Musimbi, J., & Sitaesmi, M. N. (2014). Influence of health-insurance access and hospital retention policies on childhood cancer treatment in Kenya. *Paediatric blood & cancer, 61*(5), 913-918.
- Muiya, B. M. & Kamau, A. (2013). Universal Health Care in Kenya: Opportunities and challenges for the informal sector workers.

- Mukuria, A. G., Martin, S. L., Egondi, T., Bingham, A. & Thuita, F. M. (2016). Role of social support in improving infant feeding practices in western Kenya: a quasi-experimental study. *Global Health: Science and Practice*, 4(1), 55-72.
- Munjuri, M. G. (2013). Human capital, social capital, employee empowerment, quality of decisions and performance of commercial banks and insurance firms in Kenya. *Unpublished PhD Thesis, University of Nairobi*.
- Mwathie, J. W. (2018). Influence of Trade Unions on Productivity of Technical and Vocational Education Training Institutions in Kenya.
- Mwathie, J. W., Gachunga, H., & Waiganjo, E. W. (2017). Influence of trade union participation on employees' productivity in TVET institutions in Kenya. *The Strategic Journal of Business and Change Management*, 3(30), 428-452.
- Nanjundeswaraswamy, T. S., Beloor, V., Swamy, D. R., & Nagesh, P. (2019). Empirical Study on Effect of Welfare Facilities on Job Satisfaction. *Advances In Management Vol, 12*, 1.
- Ngigi, M. W., Mueller, U. & Birner, R. (2017). Gender differences in climate change adaptation strategies and participation in group-based approaches: An intra-household analysis from rural Kenya. *Ecological Economics*, 138, 99-108.
- Ngure, S. W. (2013). Stakeholders' perceptions of technical, vocational education and training: the case of Kenyan micro and small enterprises in the motor vehicle service and repair industry.
- Njanja, L. W., Maina, R. N., Kibet, L. K. & Njagi, K. (2013). Effect of reward on employee performance: A case of Kenya Power and Lighting Company Ltd., Nakuru, Kenya.
- Nkirote, N. A. O. M. I., & Kiiru, D. (2018). Influence of selected trade unions activities on performance of public universities in Kenya. *International Academic Journal of Human Resource and Business Administration*, 3(4), 174-206.

- Nthambi, C. K. (2014). An investigation on the effects of rewards on employee performance among operational staff at Kenya Bureau of Standards. *Unpublished dissertation. Kenyatta University.*
- Odhon'g, E. A. & Omolo, J. (2015). Effect of human capital investment on organizational performance of pharmaceutical companies in Kenya.
- Ondieki, D. O., & Bula, H. O. (2018). Human Resource Management Practices and Employee Performance in Tea Factories in Nyamira County, Kenya. *The University Journal, 1(2)*, 147-156.
- Ono, M., Matsuyama, A., Karama, M. & Honda, S. (2013). Association between social support and place of delivery: a cross-sectional study in Kericho, Western Kenya. *BMC pregnancy and childbirth, 13(1)*, 214.
- Otieno, B. B. A., Waiganjo, E. W. & Njeru, A. (2015). Effect of Employee Engagement on Organisation Performance in Kenya's Horticultural Sector. *International Journal of Business Administration, 6(2)*, 77.
- Otieno, S., Martin, L., Nyamao, N. R., Ojera, P. & Odondo, A. J. (2013). Effect of provision of micro-finance on the performance of micro-enterprises: A study of youth micro-enterprises under Kenya Rural Enterprise Program (K-REP), Kisii County, Kenya.
- Otiso, L., McCollum, R., Mireku, M., Karuga, R., de Koning, K. & Taegtmeier, M. (2017). Decentralising and integrating HIV services in community-based health systems: a qualitative study of perceptions at macro, meso and micro levels of the health system. *BMJ Global Health, 2(1)*, e000107.
- Parks, M. J. (2014). Urban poverty traps: Neighbourhoods and violent victimisation and offending in Nairobi, Kenya. *Urban Studies, 51(9)*, 1812-1832.
- Parpart, J. & Stichter, S. (Eds.). (2016). *Women, employment and the family in the international division of labour*. Springer.

- Puntillo, P. (2012). A Critical Review of the Relationship between Human Capital Management and Corporate Performance. *Corporate Ownership & Control*, 9(3), 407-425.
- Putunoi, G. K. & Mutuku, C. M. (2013). Domestic debt and economic growth nexus in Kenya. *Current Research Journal of Economic Theory*, 5(1), 1-10.
- Ramya, T. J., Arepalli, B., & Laksh, P. (2016). A study on employee welfare facilities and its impact on employee satisfaction at hotel industry with special reference to Mysuru district. *IJESC*, 6(12), 3680-3686.
- Rouxel, P. L., Heilmann, A., Aida, J., Tsakos, G. & Watt, R. G. (2015). Social capital: theory, evidence, and implications for oral health. *Community dentistry and oral epidemiology*, 43(2), 97-105.
- Sameer, M. (2015). *Impact of welfare facilities on the performance of employees in NGOs in Nairobi A case of Kenya red cross Nairobi branch* (Doctoral dissertation, University of Nairobi).
- Sastera, B., & Mauludin, H. (2018). The Influence of Employee Benefits Programs on Employee Morale and Employee Performance in Pt. Cji Pasuruan. *International Journal of Business and Management Invention (IJBMI)*, 7(5).
- Schmieder, J. F. & Von Wachter, T. (2016). The effects of unemployment insurance benefits: New evidence and interpretation. *Annual Review of Economics*, 8, 547-581
- Smith, W. & Darko, E. (2014). Social enterprise: constraints and opportunities—evidence from Vietnam and Kenya. *ODI*. [www.odi.org/publications/8303-social-enterprise-constraintsopportunities-evidence-vietnam-kenya](http://www.odi.org/publications/8303-social-enterprise-constraintsopportunities-evidence-vietnam-kenya).
- Sokolowski, S. W. (2013). Effects of government support of nonprofit institutions on aggregate private philanthropy: Evidence from 40 countries. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 24(2), 359-381.

- Sousa, A., Scheffler, R. M., Koyi, G., Ngah, S. N., Abu-Agla, A., M'kiambati, H. M. & Nyoni, J. (2014). Health labour market policies in support of universal health coverage: a comprehensive analysis in four African countries. *Human resources for health*, 12(1), 55
- Tanui, J. K., Feng, W., Li, X., Wang, Y., & Kipsat, M. J. (2017). Socio-economic constraints to adoption of yield improving tea farming technologies: A study of small holder tea farmers affiliated to estates in Nandi Hills, Kenya. *African Journal of Agricultural Research*, 7(16), 2560-2568.
- Thomson, M., Kentikelenis, A. & Stubbs, T. (2017). Structural adjustment programmes adversely affect vulnerable populations: a systematic-narrative review of their effect on child and maternal health. *Public health reviews*, 38(1), 13.
- Titus, K. K., & Cheruiyot, K. (2016). Strategic Leadership And Organizational Performance Of Tea Estate Companies In Nandi County, Kenya. *Epra International Journal of Multidisciplinary Research (IJMR)*, 2013, 299.
- Tubey, R., Kipkemboi, J. R. & Bundotich, M. (2015). An overview of industrial relations in Kenya
- Uddin, M. J., Luva, R. H., & Hossian, S. M. M. (2013). Impact of organizational culture on employee performance and productivity: A case study of telecommunication sector in Bangladesh. *International Journal of Business and Management*, 8(2), 63.
- Vismara, S. (2016). Equity retention and social network theory in equity crowdfunding. *Small Business Economics*, 46(4), 579-590.
- Woolard, I. & Leibbrandt, M. (2013). The evolution and impact of unconditional cash transfers in South Africa. *Development Challenges in a Postcrisis World*, 363
- Xue, J., Gao, W. & Guo, L. (2014). Informal employment and its effect on the income distribution in urban China. *China Economic Review*, 31, 84-93.

Yamwamu, M., Bosibori, W., Atambo, M., Yakudi, W., & Muee, D. (2012). Role Of Employee Welfare Services O Performace Of The Atioal Police Service I Keya: A Case Of KisiiCetral District.

Zimmermann, L. (2014). Public works programs in developing countries have the potential to reduce poverty. *IZA World of Labour*.

## **APPENDICES**

### **APPENDIX I: LETTER OF INTRODUCTION**

I am a Master's student of MMUST undertaking masters in business administration (strategic management option). As a partial requirement of the coursework assessment, I am required to submit a research report on: **SOCIAL PROTECTION STRATEGIES AND PERFORMANCE OF TEA FIRMS IN NANDI COUNTY SUB COUNTY, NANDI COUNTY KENYA**

I would highly appreciate if you could kindly complete the Questionnaire to assist me collect data. Your information alongside others will help me in my research and will be used strictly for academic purposes and will be treated as confidential, therefore, do not write your name on the questionnaire.

Thank you in advance,

Yours faithfully,

.....

## APPENDIX II: QUESTIONNAIRE

### SECTION A: DEMOGRAPHIC DATA

1. Gender: Male  Female

2. What is your highest level of education?

Secondary Form Four  Certificate  Diploma

Graduate  Masters  PHD

3. What is your age bracket?

Below 30 years

31 - 40 years

41 -50 years

51 - Above

### SECTION B: Labour market strategies

4. To what extent do you agree with the following statement on Labour market strategies?

	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
Working hours are fixed					
The firm is keen to implement minimum pay policy					
Overtime is compensated					
Workers receive rewards and incentives for good work					
Dismissal is procedural and fair					
Supervision is moderate and just					

### Section C: Social Assistance and Welfare Programs

Key SA- Strongly Agree, A –Agree N– Neutral, D – Disagree, SD – Strongly Disagree

5. To what extent do you agree with the following statement regarding Social Assistance and Welfare Programs?

	SA	A	N	D	SD
In case a worker needs relief support due to emergencies such as sickness the firm covers for this		1			
The firm supports families of workers who die		2			
The firm covers for workers accidents		3			
There are dispensaries in the estate for all workers		4			
There are shopping centres which workers have access		5			
There are schools in the tea estate for workers children		6			
Natural calamities affecting workers are covered by the firm		7			

### Section D: Micro area based Programs

Key SA- Strongly Agree, A –Agree N – Neutral, D – Disagree, SD – Strongly

Disagree

6. To what extent do you agree with the following statement regarding macro area based programs?

	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
The firm trains workers on investments	1				
Workers have access to group loans from the firm	2				
The firms offers financial management training to workers	3				
Workers have access to personal loans from the firm	4				
The firm supports workers table banking operations	5				
Workers can receive saving services from the firm	6				

**Section E: Moderating effect of Government Policy**

Key SA- Strongly Agree, A –Agree N– Neutral, D – Disagree, SD – Strongly Disagree

7. To what extent do you agree with the following statements on ?

	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
--	-----------	----------	----------	----------	-----------

The government has reduced taxation to tea estates	1				
Tea estates receive government subsidies	2				
Government assists in marketing and promotion of tea outputs in the global market	3				
Government offers research and extension services to tea estates	4				
Structural policies flexibility have allowed the tea estate increase size of land under cultivation	5				
Government regulates NHIF and NSSF contributions by workers	6				
County licensing is considerate of the firms operating economic environment	7				
Government is keen to reform tea institutions e.g. KTDA	8				

**Section F: Performance of Tea Firms**

8. To what extent do you agree with the following statement regarding performance of tea firms in the region?

Key SA- Strongly Agree, A –Agree N – Neutral, D – Disagree, SD – Strongly Disagree

	<b>SA</b>	<b>A</b>	<b>N</b>	<b>D</b>	<b>SD</b>
Fixed physical assets such as motor vehicles and working equipment in the estate have been increasing	1				
The estate has been investments in other industries	2				
The company's financial records have shown increase in profitability	3				
The company is able to pay all its workers on time	4				
The quantities of tea produced by the estate this year have grown	5				
The company revenues from exports have steadily grown annually	6				

#### APPENDIX IV: FACTOR ANALYSIS

NO	Labour market strategies	Factor Loadings
1.	Working hours are fixed	.747
2.	The firm is keen to implement minimum pay policy	.870
3.	Overtime is compensated	.755
4.	Workers receive rewards and incentives for good work	.749
5.	Dismissal is procedural and fair	.778
6.	Supervision is moderate and just	.451

NO	Social assistance and welfare service strategy	Factor Loadings
1.	In case a worker needs relief support due to emergencies such as sickness the firm covers for this	.797
2.	The firm supports families of workers who die	.482
3.	The firm covers for workers accidents	.523
4.	There are dispensaries in the estate for all workers	.820
5.	There are shopping centres which workers have access	.678
6.	There are schools in the tea estate for workers children	.738
7.	Natural calamities affecting workers are covered by the firm	.827

NO	Micro – Area Based Schemes	Factor Loadings
1.	The firm trains workers on investments	.651
2.	Workers have access to group loans from the firm	.632
3.	The firm offers financial management training to workers	.770
4.	Workers have access to personal loans from the firm	.480
5.	The firm supports workers table banking operations	.684
6.	Workers can receive saving services from the firm	.691

<b>NO</b>	<b>Government Policy</b>	<b>Factor Loading</b>
1.	The government has reduced taxation to tea estates	.601
2.	Tea estates receive government subsidies	.815
3.	Government assists in marketing and promotion of tea outputs in the global market	.494
4.	Government offers research and extension services to tea estates	.506
5	Structural policies flexibility have allowed the tea estate increase size of land under cultivation	.824
6	Government regulates NHIF and NSSF contributions by workers	.779
7	County licensing is considerate of the firms operating economic environment	.815
8	Government is keen to reform tea institutions e.g. KTDA	.740

## APPENDIX V: DIRECTORATE POSTGRADUTE STUDIES LETTER



### MASINDE MULIRO UNIVERSITY OF SCIENCE AND TECHNOLOGY (MMUST)

Tel: 056-30870  
Fax: 056-30153  
E-mail: [director@mmust.ac.ke](mailto:director@mmust.ac.ke)  
Website: [www.mmust.ac.ke](http://www.mmust.ac.ke)

P.O Box 190  
Kakamega – 50100  
Kenya

#### Directorate of Postgraduate Studies

---

Ref: MMU/COR: 509099

Date: 11<sup>th</sup> November, 2019

Pius Kipkemboi Serem,  
MBAG/10-57473/16,  
P.O. Box 190-50100,  
KAKAMEGA.

Dear Mr. Serem,

#### RE: APPROVAL OF PROPOSAL

I am pleased to inform you that the Directorate of Postgraduate Studies has considered and approved your Masters proposal entitled: *"Employees, Social Protection Welfare Strategies and their Performance in Tea Firms: Nandi Hills Sub County, Nandi County Kenya"* and appointed the following as supervisors:

1. Dr. Willis Otuya - SOBE, MMUST
2. Dr. Evans Kwendo - SOBE, MMUST

You are required to submit through your supervisor(s) progress reports every three months to the Director Postgraduate Studies. Such reports should be copied to the following: Chairman, School of Business and Economics Graduate Studies Committee and Chairman, Business Administration Department. Kindly adhere to research ethics consideration in conducting research.

It is the policy and regulations of the University that you observe a deadline of two years from the date of registration to complete your Masters thesis. Do not hesitate to consult this office in case of any problem encountered in the course of your work.

We wish you the best in your research and hope the study will make original contribution to knowledge.

Yours Sincerely,

Prof. John Obiri  
DIRECTOR, DIRECTORATE OF POSTGRADUATE STUDIES



