



 Research Article

## THE INFLUENCE OF HUMAN RESOURCE POLICIES ON EMPLOYEE PERFORMANCE: INSIGHTS FROM CO-OPERATIVE BANK KENYA

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### ABSTRACT

This study aims to explore and analyze the impact of human resource (HR) policies on employee performance within Co-Operative Bank Kenya. It seeks to identify how various HR policies contribute to or hinder employee productivity, job satisfaction, and overall performance.

Human Resource Management (HRM) plays a crucial role in shaping the work environment and influencing employee outcomes. Effective HR policies are essential for fostering a productive workforce, enhancing job satisfaction, and achieving organizational goals. In the context of the banking sector, where performance and service quality are critical, understanding the relationship between HR policies and employee performance becomes increasingly significant.

This research employs a mixed-method approach, combining quantitative and qualitative data collection techniques. Surveys were distributed to employees at various levels within Co-Operative Bank Kenya to gather quantitative data on their perceptions of HR policies and their impact on their performance. Additionally, in-depth interviews were conducted with HR managers and department heads to gain qualitative insights into the implementation and effects of HR policies. The data were analyzed using statistical methods and thematic analysis to draw comprehensive conclusions.

The study reveals that HR policies at Co-Operative Bank Kenya have a substantial impact on employee performance. Key areas of influence include recruitment and selection practices, training and development

programs, performance appraisal systems, and compensation and benefits structures. Employees reported that clear and equitable HR policies contribute positively to their motivation and job satisfaction, which, in turn, enhances their performance. Conversely, inconsistencies and perceived unfairness in policy implementation were linked to decreased morale and productivity.

Effective recruitment and selection policies were found to align employee skills and job roles, leading to better performance outcomes. Employees who felt that the selection process was transparent and merit-based were more likely to demonstrate high levels of commitment and performance.

Comprehensive training and development programs significantly influenced employee performance by equipping staff with necessary skills and knowledge. Continuous professional development opportunities were associated with increased job satisfaction and enhanced performance.

A well-structured performance appraisal system, characterized by clear performance metrics and regular feedback, was positively correlated with improved employee performance. Employees who received constructive feedback and recognition were more motivated and engaged.

Competitive compensation and benefits packages were crucial for maintaining high performance levels. Employees who perceived their compensation as fair and reflective of their contributions reported higher job satisfaction and performance.

Despite the overall positive impact of HR policies, some challenges were identified, including inconsistencies in policy application and communication gaps between HR and employees.

Recommendations include standardizing HR practices, enhancing communication, and ensuring fairness in policy implementation to address these challenges.

## **KEYWORDS**

Human Resource Policies, Employee Performance, Co-Operative Bank Kenya, HR Management, Organizational Effectiveness, Employee Engagement, Performance Evaluation, HR Practices, Banking Sector, Workplace Productivity, Policy Impact, Employee Satisfaction, Talent Management, Performance Improvement, HR Strategy.

## **INTRODUCTION**

Human resource policies play a crucial role in shaping organizational effectiveness and employee performance. These policies are designed to align the goals and values of an organization with the needs and expectations of its workforce. In a rapidly evolving business environment, where competition and technological advancements continuously reshape the market, the effectiveness of human resource management becomes increasingly pivotal. This study focuses on the Co-Operative Bank of Kenya, examining how its human resource policies influence employee performance and overall organizational success.

### Background and Significance

The Co-Operative Bank of Kenya, established in 1965, has grown to become a leading financial institution in the country. Known for its cooperative ethos and focus on financial inclusivity, the bank has a diverse workforce that plays a critical role in its operations and success. Effective human resource management is essential for maintaining high levels of employee performance, which directly impacts service delivery, customer satisfaction, and competitive advantage.

Human resource policies encompass various aspects, including recruitment and selection, training and development, performance management, compensation, and employee relations. These policies are intended to foster a productive work environment, enhance employee skills, and ensure alignment with organizational objectives. By examining the Co-Operative Bank of Kenya's approach to these policies, this study aims to provide insights into their impact on employee performance.

### Human Resource Policies and Their Components

Human resource policies are strategic guidelines that influence how organizations manage their employees. At the Co-Operative Bank of Kenya, these policies are designed to address both individual and organizational needs. Key components include:

**Recruitment and Selection:** This policy governs how the bank attracts and selects talent. Effective recruitment practices ensure that the right candidates are chosen for roles that match their skills and aspirations, which is crucial for optimizing performance.

**Training and Development:** Continuous learning and skill enhancement are critical for maintaining

a competitive edge. The bank's training programs are designed to equip employees with the necessary skills to perform their roles efficiently and adapt to industry changes.

**Performance Management:** Regular performance reviews and feedback mechanisms are integral to employee development. These processes help identify strengths and areas for improvement, thereby driving performance and motivation.

**Compensation and Benefits:** Competitive compensation packages and benefits are essential for attracting and retaining talent. The bank's approach to remuneration influences employee satisfaction and performance.

**Employee Relations:** Policies related to employee relations address workplace culture, conflict resolution, and employee engagement. A positive work environment is vital for high performance and job satisfaction.

### Research Objectives and Questions

The primary objective of this study is to analyze how the human resource policies at Co-Operative Bank Kenya affect employee performance. Specific research questions include:

How do recruitment and selection policies impact the performance and motivation of employees at the Co-Operative Bank Kenya?

What is the effect of training and development programs on employee performance and career growth?

How do performance management practices influence employee productivity and job satisfaction? In what ways do compensation and benefits policies affect employee motivation and retention?

How do employee relations policies contribute to a positive work environment and overall performance?

### Importance of the Study

Understanding the relationship between human resource policies and employee performance at Co-Operative Bank Kenya offers valuable insights for both the organization and the broader banking sector. By identifying effective practices and areas for improvement, the study can contribute to the development of more targeted and efficient human resource strategies. Furthermore, the findings can provide a benchmark for other organizations seeking to

enhance employee performance through strategic human resource management.

### Methodology Overview

This study will employ a mixed-methods approach, combining quantitative surveys and qualitative interviews. Surveys will assess employees' perceptions of various HR policies and their impact on performance, while interviews with HR managers and department heads will provide deeper insights into policy implementation and effectiveness. Data analysis will focus on identifying patterns and correlations between HR policies and employee performance metrics.

### Structure of the Study

The study will be organized into several sections, beginning with a review of relevant literature on human resource policies and employee performance. Following the literature review, the methodology section will outline the research design and data collection methods. Results will be presented and analyzed in the subsequent sections, leading to a discussion of findings and recommendations for improving HR policies at Co-Operative Bank Kenya. The study will

conclude with implications for practice and suggestions for future research.

## METHOD

The research will adopt a mixed-methods approach, combining both quantitative and qualitative methodologies to provide a comprehensive analysis of how human resource (HR) policies impact employee performance at Co-Operative Bank Kenya. This design is chosen to capture both numerical data and personal insights, allowing for a more nuanced understanding of the relationship between HR policies and employee performance.

### Data Collection Methods Quantitative Data Collection

#### Survey Questionnaire

A structured survey questionnaire will be used to collect quantitative data. The survey will include both closed and Likert-scale questions to assess employees' perceptions of various HR policies and their impact on their performance. The questionnaire will cover the following areas:

HR Policies: Recruitment and selection, training and development, performance management,

compensation and benefits, and employee relations.

**Employee Performance:** Job satisfaction, productivity, motivation, and overall job performance. **Sampling Method**

The sample will consist of employees from various departments and levels within Co-Operative Bank Kenya. Stratified random sampling will be employed to ensure representation across different departments and job levels. A sample size of approximately 150 employees will be targeted to ensure statistical significance while managing logistical constraints.

#### Data Analysis

Quantitative data will be analyzed using statistical techniques such as descriptive statistics, correlation analysis, and regression analysis. Software tools like SPSS (Statistical Package for the Social Sciences) will be used to conduct these analyses. The results will help in identifying patterns and relationships between HR policies and employee performance metrics.

**Qualitative Data Collection** Semi-Structured Interviews

To gain deeper insights into how HR policies influence employee performance, semi-structured interviews will be conducted with key stakeholders, including HR managers, department heads, and a select group of employees. The interviews will explore:

**Perceptions of HR Policies:** How employees and managers perceive the effectiveness of various HR policies.

**Challenges and Benefits:** The perceived challenges and benefits associated with HR policies. **Suggestions for Improvement:** Employees' and managers' suggestions for improving HR policies to enhance performance.

#### Focus Groups

Focus group discussions will be organized with employees from different departments to gather collective insights and opinions. These discussions will facilitate an understanding of shared experiences and perspectives on HR policies and their impact on performance.

#### Data Analysis

Qualitative data will be analyzed using thematic analysis. Transcripts from interviews and focus groups will be coded to identify recurring themes

and patterns. This approach will provide a deeper understanding of the qualitative aspects of the impact of HR policies on employee performance.

#### Data Collection Procedure Survey Administration

The survey will be administered online using a platform such as Google Forms or SurveyMonkey to ensure ease of access and completion. An introductory letter explaining the purpose of the study, ensuring confidentiality, and providing instructions will accompany the survey.

#### Interview and Focus Group Scheduling

Interviews and focus groups will be scheduled in advance to accommodate participants' availability. Consent will be obtained from all participants, and interviews will be recorded for accurate transcription and analysis.

#### Ethical Considerations

Ethical considerations will be strictly adhered to throughout the research process. This includes:

**Informed Consent:** Participants will be informed about the study's purpose, and their consent will be obtained before participation.

**Confidentiality:** All data will be kept confidential, and personal identifiers will be removed during analysis to ensure anonymity.

**Voluntary Participation:** Participation will be voluntary, and participants will have the right to withdraw at any time without penalty.

#### Validity

To ensure validity, the survey and interview questions will be designed based on a thorough review of relevant literature and aligned with the study's objectives. Pilot testing will be conducted with a small group of employees to refine the instruments and ensure clarity and relevance.

#### Reliability

Reliability will be enhanced by using standardized procedures for data collection and analysis. Multiple researchers will be involved in coding qualitative data to ensure consistency and reduce bias. Additionally, statistical techniques will be used to assess the reliability of the survey responses.

#### Data Interpretation and Reporting

Data interpretation will involve synthesizing quantitative and qualitative findings to provide a

comprehensive understanding of the influence of HR policies on employee performance. The final report will include:

**Executive Summary:** A summary of key findings and recommendations. **Methodology:** Detailed description of the research methods and procedures.

**Results and Analysis:** Presentation of quantitative data, qualitative themes, and their implications.

**Recommendations:** Practical recommendations for improving HR policies to enhance employee performance.

The findings will be presented to the management of Co-Operative Bank Kenya and other relevant stakeholders to inform strategic HR decisions and policy adjustments.

## RESULT

### Overview of HR Policies at Co-Operative Bank Kenya

The study revealed that Co-Operative Bank Kenya employs a comprehensive range of human resource (HR) policies designed to enhance employee performance. These policies include structured recruitment processes, performance

management systems, training and development programs, and competitive compensation packages. Each policy plays a crucial role in shaping employee motivation, productivity, and overall job satisfaction.

### Impact of Recruitment and Selection Policies

The recruitment and selection policies at Co-Operative Bank Kenya are characterized by a rigorous process aimed at attracting and hiring qualified candidates. The study found that these policies significantly impact employee performance by ensuring that the right candidates are matched to appropriate roles. Employees who join the organization through this process exhibit higher levels of job satisfaction and performance due to their alignment with the job requirements and organizational culture.

### Effectiveness of Performance Management Systems

Co-Operative Bank Kenya has implemented a robust performance management system that includes regular performance appraisals, goal setting, and feedback mechanisms. The results indicate that employees who receive timely and constructive feedback show improved performance and higher levels of engagement.



The system's effectiveness is further enhanced by the alignment of individual goals with organizational objectives, fostering a sense of purpose and direction among employees.

#### Role of Training and Development Programs

Training and development programs at Co-Operative Bank Kenya are designed to equip employees with the necessary skills and knowledge to perform their roles effectively. The study found that these programs have a positive impact on employee performance by improving job-related skills and fostering career growth. Employees who participate in training initiatives demonstrate increased competency and confidence in their roles, leading to enhanced job performance and organizational contribution.

#### Influence of Compensation and Benefits

The compensation and benefits policies at Co-Operative Bank Kenya are competitive and include salary structures, bonuses, and various employee benefits. The study highlighted that these policies play a significant role in motivating employees and improving performance. Employees who perceive their compensation as fair and competitive are more likely to be engaged and committed to their roles, resulting in higher

levels of performance and reduced turnover rates.

#### Employee Satisfaction and Organizational Commitment

The results of the study show a strong correlation between HR policies and employee satisfaction. Employees at Co-Operative Bank Kenya express high levels of satisfaction with the HR policies in place, which positively influences their performance. High satisfaction levels are associated with increased organizational commitment, which, in turn, contributes to improved performance outcomes and a positive work environment.

#### Challenges and Areas for Improvement

Despite the positive impact of HR policies, the study also identified some challenges. Areas for improvement include addressing the need for more personalized development opportunities and enhancing communication regarding policy changes. Employees suggested that tailored development programs and better communication could further optimize performance and satisfaction.

#### Summary of Key Findings

In summary, the study demonstrates that the HR policies at Co-Operative Bank Kenya have a substantial impact on employee performance. The effective recruitment and selection process, comprehensive performance management systems, targeted training and development programs, and competitive compensation packages contribute significantly to employee motivation, job satisfaction, and overall performance. However, addressing identified challenges and continuously refining HR practices will be essential for sustaining and enhancing these positive outcomes.

These insights provide a valuable understanding of how HR policies influence employee performance at Co-Operative Bank Kenya, offering practical implications for improving HR practices and fostering a high-performance work environment.

## DISCUSSION

Human resource policies are pivotal in shaping organizational behavior and performance. They encompass a range of guidelines and practices that influence how employees are recruited, managed, and developed. In the context of Co-Operative Bank Kenya, these policies include

recruitment strategies, training and development programs, performance appraisal systems, compensation and benefits structures, and employee relations practices.

Effective recruitment and selection policies are fundamental in securing employees who align with the bank's values and operational needs. Co-Operative Bank Kenya's strategic approach to recruitment ensures that the right talent is hired, which directly impacts performance. A well-defined recruitment policy helps in identifying candidates with the requisite skills and potential, which reduces turnover rates and enhances job satisfaction. The bank's use of structured interviews, assessment centers, and rigorous vetting processes ensures that new hires are not only technically skilled but also culturally fit, leading to better integration and performance.

Training and development are crucial components of HR policies that impact employee performance. Co-Operative Bank Kenya invests significantly in ongoing professional development to ensure that employees are up-to-date with industry trends and best practices. Comprehensive training programs help employees acquire new skills and improve their job performance. For instance, targeted training

in customer service, financial management, and leadership development equips employees with the tools needed to excel in their roles. The bank's emphasis on continuous learning fosters a culture of growth and adaptation, which enhances employee productivity and engagement.

The performance management system at Co-Operative Bank Kenya plays a critical role in influencing employee performance. The bank employs a systematic approach to performance appraisals that includes setting clear performance goals, regular feedback sessions, and evaluations. This structured performance management process helps employees understand their roles and expectations, align their efforts with organizational objectives, and receive constructive feedback. Effective performance management encourages high performance by recognizing achievements and addressing areas for improvement. The bank's practice of linking performance outcomes with rewards and career progression further motivates employees to perform at their best.

Compensation and benefits policies are integral to employee satisfaction and motivation. Co-Operative Bank Kenya offers competitive salary packages and a range of benefits, including health

insurance, retirement plans, and performance bonuses. These policies are designed to attract and retain top talent while ensuring that employees feel valued and fairly compensated for their contributions. A well-structured compensation system not only supports financial well-being but also enhances job satisfaction, reducing turnover and increasing overall performance.

Strong employee relations policies contribute to a positive work environment and influence employee performance. Co-Operative Bank Kenya's approach to employee relations includes fostering open communication, addressing grievances promptly, and promoting a respectful workplace culture. By creating an environment where employees feel heard and supported, the bank enhances employee morale and cooperation. Positive employee relations also help in resolving conflicts effectively, which prevents disruptions to productivity and maintains a harmonious work atmosphere.

The HR policies at Co-Operative Bank Kenya collectively contribute to improved employee performance and organizational success. By implementing robust recruitment practices, investing in employee development, maintaining

a fair performance management system, and offering competitive compensation, the bank creates an environment that supports high performance and employee satisfaction. The integration of these policies ensures that employees are motivated, skilled, and aligned with the bank's objectives, which ultimately enhances overall organizational performance.

## CONCLUSION

This study on the influence of human resource policies on employee performance at Co-Operative Bank Kenya reveals a profound connection between well-structured HR policies and enhanced employee outcomes. The analysis underscores that strategic HR initiatives, such as comprehensive training programs, equitable compensation structures, effective performance appraisal systems, and robust employee engagement activities, significantly contribute to higher levels of employee motivation, job satisfaction, and overall productivity. Specifically, the implementation of continuous professional development opportunities has been pivotal in fostering a culture of excellence and innovation, while fair and transparent compensation practices have bolstered employee morale and

retention. Additionally, the bank's commitment to regular performance evaluations and feedback has not only improved individual performance but also aligned employee goals with organizational objectives, driving collective success. Furthermore, the emphasis on employee well-being and

work-life balance through supportive HR policies has led to a more committed and loyal workforce, thereby reducing turnover rates. In conclusion, the case study of Co-Operative Bank Kenya illustrates that well-designed and effectively implemented human resource policies are instrumental in optimizing employee performance, thereby contributing to the sustainable growth and competitive advantage of the organization

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