

**EFFECT OF HUMAN RESOURCE PRACTICES ON EMPLOYEE
PERFORMANCE IN DEPOSIT TAKING SAVINGS AND CREDIT COOPERATIVE
ORGANIZATIONS IN NAIROBI COUNTY, KENYA**

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DECLARATION

I declare that this thesis is my original work and has not been presented in any other university.

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DEDICATION

I wish to dedicate this thesis to my husband Ibrae Doko, and my children: Huthayfah Ibrae, Hamza Ibrae, Imran Ibrae, and Ilham Ibrae.

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I want to extend my heartfelt gratitude to Allah for granting me the ability and strength to carry out this thesis. Additionally, I would like to express my gratitude to my family for their unwavering support throughout my studies, as well as their understanding and patience throughout the entire thesis process. The success of this thesis owes its existence to the dedicated efforts of my colleagues and friends for their support, and I feel compelled to acknowledge them. I extend special thanks to my supervisors Dr. Susan Nzioki and Dr. Jane Munga whose guidance on numerous occasions has enabled me to track the progress of my thesis. May God bless you abundantly

ABSTRACT

Employee performance is crucial for achieving organizational goals and ensuring high-quality service delivery within SACCOs. However, gaps in employee performance can lead to inefficiencies and reduced member satisfaction, underscoring the need for targeted improvements and support to enhance service delivery and operational effectiveness. This study seeks to establish the effect of human resource practices on employee performance in deposit-taking SACCOs in Nairobi County. The study's specific objectives are: to determine the effect of work-life balance, training, performance appraisal, and compensation on employee performance in deposit-taking SACCOs in Nairobi County. The study was grounded on four theories; organizational justice theory, the human capital theory, the social exchange theory, and the motivation-hygiene theory. The study adopted a descriptive research design. The target population consisted of 87 deposit-taking SACCOs (DT-SACCOs) in Nairobi County, while participants in the study were 87 human resource managers and 293 human resource officers from these SACCOs. A random sampling along the Taro Yamane formula was used to obtain a sample of 169 human resource officers whereas 10 human resource managers were sampled through purposeful sampling. Primary data was obtained using self-administered questionnaires and online questionnaires through Google Sheets. Descriptive and inferential analyses were conducted and results were presented in tables and figures. Results revealed a β score of 0.256 and a p-value of 0.001 between work-life balance and employee performance, a β score of 0.271 and a p-value of 0.000 between training and employee performance, a β score of 0.373 and a p-value of 0.000 between performance appraisal and employee performance and lastly, a β score of 0.151 and a p-value of 0.002 between compensation and employee performance. The study concluded that work-life balance, training, performance appraisal, and compensation significantly and positively affected employee performance in deposit-taking SACCOs in Nairobi County. The study recommends that deposit-taking SACCOs in Nairobi County adopt comprehensive work-life balance policies, including flexible work arrangements and wellness programs, to enhance employee well-being and performance.

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ACRONYMS AND ABBREVIATIONS

CISCO	Cisco Systems Incorporated Services Communications Organization
FOSA	Fixed Ordered Savings Account
HRM	Human Resource Management
KMO	Kaiser-Meyer-Olkin
KSAs	Knowledge Skills Abilities
MSMEs	Ministry of Micro, Small and Medium Enterprises
SACCOs	Savings and Credit Cooperative Societies.
SET	Social Exchange Theory
SPSS	Statistical Package for Social Sciences

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Employee performance is the output of an individual in fulfilling assigned tasks, affected by factors such as skill, experience, and motivation. High-performing employees are crucial for organizational success, as they enable faster achievement of goals, unlike low performers who may hinder progress (Mwangi & Cherotich, 2022). Effective employee performance results from strategies like clear goal-setting, constructive feedback, training, and recognition. Furthermore, organizations must prioritize employee satisfaction, as motivated employees have a huge contribution to the overall organizational success. Monitoring employee performance not only improves individual output but also identifies areas for development (Barney, 2021).

Human Resource Management (HRM) is a vital field of organizational management that focuses on planning, organizing, and controlling workforce acquisition and development to achieve organizational goals. Effective HRM practices improve employee competencies, retention, and alignment with company objectives (Wong et al., 2023). Benefits of proper HRM planning include reduced costs, better workforce diversity, and enhanced anticipation of organizational needs. Additionally, HRM practices such as talent attraction, learning opportunities, and strategic compensation strategies are crucial for fostering employee performance and promoting organizational success (Podgorodnichenko et al., 2020).

Global companies like Google exemplify how data-driven HRM strategies enhance employee performance. Google's Project Oxygen, for instance, focuses on nurturing managerial behaviors, collaboration, communication, and inclusivity, resulting in improved employee satisfaction and productivity. Similarly, CISCO uses HR technology, such as its Talent Cloud,

to manage and develop its workforce, providing employees with insights for career advancement. Hilton complements this approach by using performance scorecards to align employee output with corporate goals, enhancing clarity and tracking key metrics like diversity and skills development. These cases highlight how innovative HR practices improve performance, satisfaction, and retention (Mwangi & Cherotich, 2022).

While global organizations like Google and CISCO have excelled, poor HRM practices in other regions, such as Sri Lanka's SMEs, demonstrate the consequences of neglecting workforce development. Many of these businesses face challenges like competition and lack of HR planning, leading to economic struggles and business collapse. This underscores the need for effective HR strategies, including talent management and organizational adaptability, to ensure survival and growth, particularly for small and medium enterprises in competitive markets (Jennifer & Asri, 2022).

In Africa, HRM practices are evolving to address talent acquisition, diversity, and technological advancement. Increased global investments and workforce expectations have encouraged organizations to focus on inclusivity, competitive compensation, and digital HR solutions like cloud-based tools and analytics. Despite facing challenges such as the digital divide and changing demographics, African organizations are leveraging these trends to attract and retain talent, enhance operational efficiency, and adapt to a dynamic work environment, ultimately driving economic development and organizational success (Nwachukwu & Chladkova, 2021) .

HRM practices in Africa are becoming more dynamic by responding to some of the peculiar challenges that include talent shortages, high turnover, and the incorporation of technology.

HR practices are also transforming in most of the African regions in order to attract and retain a pool of skilled labor.

In Kenya, HRM practices focus on work-life balance, training, compensation, and compliance with labor laws. The growing adoption of HR automation has improved efficiency by streamlining HRM tasks. By implementing automation and innovative HR practices, Kenyan organizations can optimize workforce management and productivity. However, challenges remain, including inadequate training and limited career development, which impact employee performance and organizational goals. Addressing these issues requires targeted HRM interventions like training programs and performance-based rewards (Hack-Polay et al., 2020).

The roles of HR practices in Deposit-Taking SACCOs (DT-SACCOs) are becoming affected by the desire to deliver both regulations and performance requirements. In Kenya, especially the SACCOs, the financial sector is central in the context of financial inclusion and local support. Nevertheless, the factors like employee turnover, lack of employee motivation and training programs cripple the optimum performance of employees. According to a previous study even though the trend towards HR automation is growing, there are still plenty of SACCOs that have to deal with such problems as the lack of career development possibilities and ineffective performance management systems (Govender & Bussin, 2020).

Deposit-taking SACCOs in Kenya are vital for promoting financial inclusion and economic development. Nairobi County, as Kenya's financial hub, hosts numerous SACCOs that contribute significantly to national savings and credit advancement. Despite their importance, employee performance in these SACCOs faces challenges such as poor training and limited motivation. To address this, HRM practices should focus on enhancing employee

competencies and motivation through strategies like training, career development, and incentives. By improving employee performance, SACCOs can better fulfill their role in supporting Kenya's economic growth (Chahar, 2021).

The study, therefore, the role of HRM in driving employee performance is critical across global, regional, and local contexts. Effective HR practices not only improve individual and organizational outcomes but also address workforce challenges through innovative strategies. Kenyan SACCOs, in particular, need to strengthen their HRM practices to overcome performance challenges and maintain their contributions to financial inclusion and economic development (Mwita et al., 2023). By adopting global best practices and addressing local workforce needs, SACCOs can enhance employee performance and organizational success (Kiswili, 2021).

1.1.1 SACCOS in Nairobi County, Kenya

SACCOs in Nairobi County face numerous challenges related to geographical coverage, governance, regulatory compliance, technology, competition, and evolving customer needs. Many SACCOs operate within limited regions, lacking sufficient branches to serve members beyond their immediate area. To address this, SACCOs have adopted alternative service delivery channels like agency and mobile banking (SACCO Societies Regulatory Authority [SASRA], 2024). Despite these efforts, challenges such as delayed loan approvals persist, often caused by manual processes, internal bureaucracies, and outdated technologies. Additionally, SACCOs struggle with poor marketing strategies and stiff competition from banks and digital lending platforms, which demand innovative and competitive products to retain their customer base. Outdated technology systems also hinder SACCOs from meeting evolving client expectations, while

slow decision-making by boards and management exacerbates poor service delivery and customer dissatisfaction (Waithira & Muigai, 2020).

HRM practices in SACCOs entail work-life balance, training, performance appraisal, and compensation. However, resource constraints often limit the effectiveness of these practices. SACCOs struggle to attract and retain skilled talent due to inadequate remuneration and insufficient resources for employee training, leading to inefficiencies and skills gaps. Poor HR practices result in low employee morale, productivity, and retention, which further impact customer service and operational efficiency. Challenges like high turnover, reduced workforce productivity, and substandard service delivery stem from ineffective recruitment, insufficient training, and poor strategic focus (Mwita et al., 2023). Addressing these HR challenges requires resource investments and the development of efficient HR policies to enhance workforce performance and satisfaction.

Key variables emerging from these challenges include HR practices and workforce performance, governance and organizational performance, technology adoption and service delivery, and capital adequacy and financial stability. Effective HR practices, such as training and fair compensation, are positively correlated with higher employee performance, while strong governance structures drive improved organizational outcomes. Increased technological adoption is critical for enhancing service efficiency and customer satisfaction, while adequate capital ensures regulatory compliance and financial stability. These interconnected variables highlight the importance of leveraging HR and management practices to address SACCO challenges and improve their overall organizational performance (Peedikayil et al., 2023).

1.2 Statement of Problem

High employee performance is essential for deposit-taking SACCOs, as it enhances operational efficiency, ensures accurate handling of financial transactions, boosts regulatory compliance rates, and facilitates effective communication (Hermina & Yosepha, 2022). Despite the importance of employee performance, many organizations struggle to harness the full potential of their human resources, often due to the ineffective utilization of HRM practices and policies. When properly implemented, these practices have the potential to significantly improve employee performance thereby ensuring the delivery of excellent services to clients and contributing to the overall organizational performance (Kuzminov et al., 2022).

However, the challenges related to employee performance in deposit-taking SACCOs in Nairobi County are numerous. Issues like high staff turnover and low employee motivation are persistent problems that adversely affect employee productivity (Peedikayil et al., 2023). This high turnover, combined with low technical competencies and diminished morale, creates a challenging environment for SACCOs, severely limiting their ability to meet performance objectives. A survey further supports these findings, revealing that financial institutions, including SACCOs and microfinance institutions, face turnover rates exceeding 67%, with only 31% of staff indicating a willingness to remain with their current employers (Waithira & Muigai, 2020).

Although several studies have explored the relationship between HRM practices and employee performance, significant research gaps persist. For instance, a study focused on the impact of work-life balance on the performance of deposit-taking SACCOs in Kisumu County (Kiswili, 2021). However, their study presents a conceptual gap because it was conducted on

general organizational performance, and the study presents a contextual gap because it was conducted in Kisumu. Similarly, another study investigated the effect of servant leadership and job satisfaction in small and medium enterprises in Nakuru County, but their study leaves a conceptual and geographical gap as it emphasizes job satisfaction and is limited to Nakuru, thus not reflecting the unique dynamics within Nairobi's SACCOs (Kamwenji et al., 2022). In light of these gaps, this study sought to fill the gaps by specifically examining the effect of human resource practices on employee performance in deposit-taking SACCOs in Nairobi County. This research provides a more comprehensive understanding of how HRM practices can address the performance challenges unique to these institutions.

1.3 Research Objectives

1.3.1 General Objective

To determine the effect of human resource practices on employee performance in deposit-taking SACCOs in Nairobi County.

1.3.2 Specific Objectives

- i. To establish the effect of work-life balance on employee performance in deposit-taking SACCOs in Nairobi County
- ii. To assess the effect of training on employee performance in deposit-taking SACCOs in Nairobi County.
- iii. To establish the effect of performance appraisal on employee performance in deposit-taking SACCOs in Nairobi County.
- iv. To assess the effect of compensation on employee performance in deposit-taking SACCOs in Nairobi County.

1.4 Research Hypotheses

HO₁: Work-life balance does not have a significant effect on employee performance in deposit-taking SACCOs in Nairobi County

HO₂: Training does not have a significant effect on employee performance in deposit-taking SACCOs in Nairobi County.

HO₃: Performance appraisal does not have a significant effect on employee performance in deposit-taking SACCOs in Nairobi County.

HO₄: Compensation does effect employee performance in deposit-taking SACCOs in Nairobi County.

1.5 Significance of study

1.5.1 Management

The study is of significance to SACCOs' management in Nairobi County by providing insights into effective HR practices that directly impact employee performance. By understanding which practices are most effective, management can implement strategies that improve employee performance. Additionally, insights from this study can help management align their HR practices with organizational goals, leading to better organizational performance.

1.5.2 Deposit-Taking SACCOs in Nairobi County

The study provided a valuable framework for assessing and refining human resource strategies in SACCOs in Nairobi County. It highlighted the specific HR practices that contributed to employee performance, enabling SACCOs to optimize their employees' performance through leveraging the HR practices. Given the competitive nature of the financial sector, these insights can help SACCOs acquire the best talents and create a strong brand in the labor

market. The findings can also assist SACCOs in identifying gaps in their current HR practices and implementing best practices tailored to their unique organizational needs.

1.5.3 Policymakers

The study is of significance to policymakers by offering evidence-based insights into the effectiveness of human resource practices within deposit-taking SACCOs in Nairobi County. Understanding the HR practices in SACCOS and their impacts on employee performance guides the formulation of regulations and guidelines that promote best practices in the sector. Policymakers can utilize the results to advocate for policies that support employee development, fair compensation, and work-life balance.

1.5.4 Academicians

Academicians benefit from this study as it adds more knowledge on human resource management and its effect on employee performance, specifically within the context of DT-SACCOs in Nairobi County. Future scholars can build on their literature using the findings of the current study, they are also able to compare their findings with the current study findings for common knowledge identification.

1.6 Scope of the Study

The study was limited to establishing how human resource practices effect employee performance in SACCOs in Nairobi County. The study focuses on work-life balance, training, performance appraisal, and compensation on employee performance. The target respondents were human resource officers and managers. The study was carried out on DT- SACCOs that have been in existence for more than 10 years, also the participants that were considered had served more than two years at their firms.

1.7 Limitations and Delimitations of the Study

The main limitation of this study was the reluctance of some respondents to participate due to confidentiality concerns. These individuals may have feared that their responses could be exposed to third parties. To mitigate this limitation, the study ensured the participants that their details such as names would not be linked to the final report. To enhance the response rate participants were also issued with an introduction letter from the school (KeMU ethical review board) and a NACOSTI letter to assure the participants that the research was for academic purposes and not an investigation exercise.

SACCOs in Nairobi County are in different locations which posed a challenge in reaching out to all participants in the study, to overcome the limitations the researcher used an online questionnaire to reach participants who were outside the office during the time of visit. The strategy also involved giving participants enough time and reminding them frequently to fill out the questionnaire by writing to them to engage responses.

1.8 Operational Definition of Terms

Compensation refers to the total remuneration, including salary, bonuses, benefits, and other financial rewards, given to the employees (Shahzadi et al., 2020).

Employee performance This is the measure of the employees' efficiency in accomplishing their job responsibilities and how it contributes to organizational goals (Podgorodnichenko et al., 2020).

Human Resource Practices refer to the systematic activities and policies implemented by an organization to manage and develop its workforce

effectively, including work-life balance, training, performance appraisal, and compensation (Shahzadi et al., 2020).

Performance Appraisal

refers to the continuous process of setting objectives, monitoring progress, and evaluating employee performance to enhance individual and organizational effectiveness (Hack-Polay et al., 2020).

Training

refers to the process of providing employees with skills, knowledge, and competencies to improve their performances in their roles (Jennifer & Asri, 2022).

Work-life balance

refers to practices within an organization that focus on ensuring that employees have a flexible work environment, they are paid during their off time or leaves, wellness programs, and workload management to ensure a positive work environment (Wong et al., 2023).

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Chapter two presents the theoretical review, the chapter also presents empirical literature, gaps identified from the empirical literature, and an operational framework indicating the relationship between study variables and how the study measured the variables.

2.2 Theoretical Literature Review

Four theories were used in the study including the motivation-hygiene theory, human capital theory, organization justice theory, and social exchange theory. The theories are linked to the variable to unearth the phenomenon relationship that exists.

2.2.1 Herzberg's Two-Factor Theory

Herzberg's two-factor theory, explores the factors that influence employee motivation and job satisfaction. According to Herzberg, there are two distinct categories of factors that affect job satisfaction: motivators and hygiene factors (Holston-Okae & Mushi, 2023). Motivators, such as recognition, achievement, and the nature of the work, are intrinsic factors that drive job satisfaction and enhance performance. On the other hand, hygiene factors, which include salary, working conditions, and company policies, are extrinsic factors that do not motivate employees when present but can lead to dissatisfaction when absent (Govender & Bussin, 2020). Herzberg emphasized that addressing both motivators and hygiene factors is crucial for improving employee satisfaction and performance.

Although widely influential, Herzberg's theory has been critiqued for its oversimplification of the complex nature of job satisfaction, as it does not account for individual differences in what employees find motivating or dissatisfying (Pfeffer, 2024). Despite its limitations,

Herzberg's Two-Factor Theory remains a valuable framework for understanding the interplay between intrinsic and extrinsic factors in designing effective HR strategies that foster motivation and improve employee performance.

2.2.2 Human Capital Theory

This theory was introduced by Becker and Mincer in the 1960s and underscores the significance of investing in individuals' skills and knowledge to enhance productivity and personal income. Becker's foundational work equated education and training to capital investments, such as machinery, that improve individual productivity and value in the labor market. Mincer expanded the theory by emphasizing experience and on-the-job training as integral factors influencing productivity and earnings over time. Together, these contributions established the idea that human capital investment drives both individual and organizational success (Marginson, 2020).

The theory asserts that higher levels of education and specialized skills lead to increased productivity and earnings, translating into better organizational performance. It emphasizes training as a vital investment in enhancing employees' capabilities, framing it as a source of significant returns, including improved job performance and operational efficiency. Critics, however, argue that the theory overly focuses on economic outcomes, neglecting other critical factors such as organizational culture, job satisfaction, and non-cognitive skills. Additionally, its assumption of a direct relationship between human capital investment and productivity does not always hold, especially in contexts with unequal access to education and training opportunities (Faggian, 2021).

For deposit-taking SACCOs in Nairobi County, Human Capital Theory offers a relevant framework to understand the impact of employee training and development on performance. SACCOs rely heavily on skilled employees to handle financial transactions and member relations, making strategic investments in training essential for improving competencies and operational efficiency. By implementing comprehensive training programs that enhance technical and soft skills, SACCOs can foster a well-trained workforce, boosting overall performance in the competitive financial sector. Further research could explore how training programs, in conjunction with other HR practices like work-life balance and compensation, effect employee performance and organizational outcomes in these institutions (Pravdiuk et al., 2022).

2.2.3 Organizational Justice Theory

Organizational Justice Theory, introduced by Jerald Greenberg in 1987, emphasizes the importance of fairness in the workplace and its impact on employee attitudes and behavior. Building upon equity theory, Greenberg expanded the concept to include broader justice-related factors. The theory explains perceptions of fairness effect worker's motivation, satisfaction, and productivity. By addressing fairness comprehensively, this framework provides valuable insights into fostering positive workplace dynamics and promoting organizational effectiveness (Waithira & Muigai, 2020).

The theory identifies distributive, procedural, and interactional justice as the key elements of organizational justice. Distributive justice focuses on equity of outcomes, such as resource allocation and reward distribution (Al-Tarawneh, 2020). Procedural justice emphasizes processes of equity used to determine outcomes, such as transparency and consistency. Interactional justice pertains to interpersonal relationships and communication during

resource allocation and procedural implementation. Together, these elements contribute to employee satisfaction, trust in management, and job performance, fostering a culture of fairness and respect within organizations (Agunda et al., 2024).

Despite its effect, Organizational Justice Theory has faced criticism for simplifying the complexity of fairness perceptions and overlooking individual differences in justice sensitivity. Factors such as personal values, cultural backgrounds, and personality traits are often not accounted for. Additionally, measuring fairness perceptions is challenging due to the subjective nature of assessments, which can vary widely among employees. However, the theory remains a valuable tool for understanding employees' contributions to an organization (Oh, 2021).

The theory is particularly applicable to performance appraisal, emphasizing the importance of transparent procedures, unbiased decision-making, and equitable treatment of candidates during appraisal, grading, regular targets, rating, and 360-degree feedback are crucial practices within employee appraisal within the SACCOs that enhance the performance of an employee.

2.2.4 The Social Exchange Theory

This theory explains social interactions as exchanges of resources and rewards where individuals seek to get maximum benefits and minimize costs. A previous study emphasized that decisions in social relationships are driven by the perceived balance of rewards and costs, with reciprocity playing a central role (Yin, 2022). When one party provides a benefit, the recipient feels a moral obligation to reciprocate, strengthening the relationship and promoting ongoing interactions. The theory highlights that individuals assess the value and likelihood of

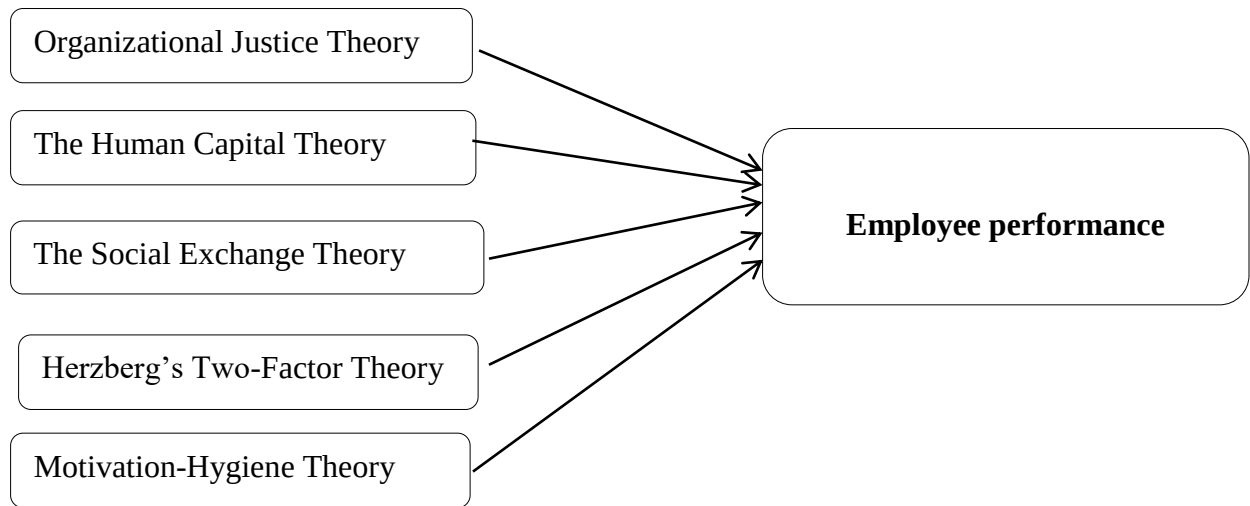
future rewards to determine their continued participation in social exchanges (Chernyak-Hai & Rabenu, 2021). However, critics argue that SET oversimplifies human relationships by focusing mainly on rational calculations, overlooking emotions, intrinsic motivations, and the effect of societal norms on social behavior (Harden et al., 2021).

SET has significant implications for performance appraisal, emphasizing the importance of fostering positive relationships in an organization. Employees perform better if they feel that their efforts are recognized and rewarded fairly. Effective performance appraisal systems aligned with SET principles incorporate regular feedback, recognition, and equitable evaluations, creating an environment where employees feel valued. Conversely, perceptions of inequity or lack of appreciation can undermine motivation and performance (Yin, 2022). This focus on reciprocal relationships underscores the importance of performance appraisal practices in cultivating trust and commitment, ultimately leading to improved organizational outcomes.

In the context of SACCOs in Nairobi County, SET offers a framework to examine how HR practices effect employee performance. Fair work-life balance processes, quality training programs, and performance appraisal systems demonstrate the organization's investment in its employees, fostering trust and encouraging reciprocal dedication to organizational goals. For instance, equitable compensation structures and career development opportunities can enhance employee satisfaction, loyalty, and productivity. By leveraging SET, SACCOs can optimize HR practices to promote positive social exchanges, improve employee engagement, and drive better performance in the competitive financial sector. This approach provides valuable insights into enhancing HR strategies to achieve organizational objectives effectively.

Figure 2.1

Theoretical Framework



Source: Researcher (2025)

2.3 Empirical Literature Review

2.3.1 Work-Life Balance and Employee Performance

A previous research studied work-life balance on employee performance. An extensive literature review from reputable articles and journals was used (Mehrad, 2020). A conceptual framework was created using the literature review and focused on the impact of work-life balance on employee engagement and performance. The results showed that work-life balance has a positive impact on behavior. Commitment and engagement in the workplace. Besides, the work-life balance reduces employee stress in the workplace thus increasing their engagement. The main limitation of this study is that it was built on an extensive literature review which may not be applicable in the current study. As such, the findings from this study cannot be used to make a generalized conclusion on our current study.

A previous study explored the role of work balance on performance, with the mediating role of the workplace environment (Soelistya, 2024). The study used a quantitative approach whereby a saturated sample of 75 respondents. The results showed that work-life balance is impacted by the work environment which in turn impacts employee performance. The work environment was found to have a positive impact on performance. The results concluded that work-life balance improves employee performance directly but it needs to be done in a good work environment that aligns with the employees' beliefs. However, this study is that it was done in Bangladesh which has a different social and economic environment compared to Kenya. As such, these findings do not give a generalized conclusion on the current research.

Another study explored the impact of work balance on performance in Kenyan universities (Agunda et al., 2024). The goal of the study was to understand the various constructs of work-life balance such as family conflicts, burnout, flexible work environment, and psychological support. A descriptive survey design was employed and reinforced using the positivism philosophy and spillover theory. All employees from 30 accredited universities were selected, leading to about 35000 employees. The results showed a positive relationship between work balance and performance. The study recommends the need for investing in work-life balance techniques. The main limitation of this study is that it was done in public universities which have a different work environment compared to the competitive nature of the banking and the Sacco sector. As such, the results cannot be used to make a conclusive finding in this study.

Lastly, as study explored if work-life balance affects the performance of state-owned corporations in Kenya (Kamwenji et al., 2022). Importantly, the study examines how work-life benefits effect employees to perform optimally in state-owned enterprises. A descriptive and explanatory research design was used to get a sample size of 640 employees. A regression

model was used to test the variance significance. The results showed that work-life balance has a moderate effect on the employees' performance. The study recommended that state-owned corporations in Kenya should invest and budget for work-life balance programs. However, this study was done in the public sector which has a different dynamic to the private sector. As such, the results from this study cannot be used to make a generalized conclusion on current research.

2.3.2 Training and Employee Performance

A study within the context of training explored how training affects performance in Uganda's health sector (Sendawula et al., 2022). Analysis revealed that training and employee engagement impacts employee performance, accounting for 44.7%. Besides, it also confirmed that a positive relationship between training and employee performance. As the first study to explore this topic in Uganda's health sector, it shows the mediation role of employee engagement. However, tracking changes over time was not possible because of the nature of the research. The main gap in this study is that it was done in the health sector in Uganda, thus offering a contextual gap in the case of the Kenyan Sacco sector. As such, the results from this study cannot be used to make a conclusive decision on the current study.

Another study was conducted to investigate how employee training impacts employee performance within organizations in Kinsasha, using a theoretical framework centered on competencies knowledge, skills, and attitudes (Islam & Hossain, 2020). The research posits that training enhances these KSAs, leading to improved problem-solving abilities, productivity, punctuality, creativity, quality, and customer satisfaction, all of which are key performance indicators. Data for the study was gathered through a survey of 117 HR employees from selected private firms in Bangladesh, with respondents chosen via

convenience sampling. The analysis employed SPSS and MS Excel for correlation and regression assessments. The findings indicate a moderate impact on performance, highlighting the crucial role of effective training programs. For training to be impactful, organizations must implement robust evaluation systems to measure and ensure its effectiveness. However, the research was done in DRC Congo which has a different business environment compared to Kenya. As such the results cannot be used to conclude the current topic.

Another study explored how training affects performance within the energy sector in Yemen. Using a quantitative approach, the research collected data through surveys from 150 out of 200 employees at various energy companies in Yemen (Naji & Isha, 2020). The analysis was performed using Smart PLS 3.0, with bootstrapping applied to assess standard errors and t-values. The findings reveal that well-structured training programs substantially benefit employees. The results underscore the importance of tailored training programs for individual employees to boost employee performance and overall organizational success. This research offers valuable insights and recommendations for HR managers in Yemen's oil and gas industry to refine their training strategies and enhance workforce effectiveness.

Another study evaluated how training affects employee performance in Tanga UWASA Company (Landa, 2022). Using a random and purposive sampling method was used, a sample of 71 respondents, including ordinary employees, department heads, and management, was selected. Data were gathered via interviews, questionnaires, and document reviews, with quantitative analysis done through SPSS. The results showed that Tanga UWASA conducts numerous training programs, which significantly enhance employee performance, as indicated by a statistically significant relationship ($p < 0.05$). Increased training correlates with improved efficiency, productivity, customer satisfaction, and a stronger competitive position

for Tanga UWASA relative to other water supply authorities. However, this study is done in a public entity in Tanzania which has a different funding model compared to Saccos in Kenya. Thus, this result cannot be used to make an informed decision on the effect of human resource practices on Employee Performance in SACCOs.

Another study examined the effects of training on employee performance by focusing on firms in the banking sector in Bangladesh (Sahija, 2022). The study used employee engagement, employee motivation, and job satisfaction as the independent variables. A sample of 150 employees of the major 15 banks operating in Bangladesh were targeted. The research used a stratified technique to collect data from the selected employees. The data was then analyzed using SPSS to identify the relationships between the variables. The results revealed that employee training improves employee engagement, employee motivation, and job satisfaction. These variables were found to have a positive effect on the employee's performance. However, the research was done in Bangladesh which has a different economic and social environment compared to Kenya. As such the findings from this research cannot be used to make a generalized conclusion on the Kenyan context.

2.3.3 Performance Appraisal and Employee Performance

A previous study on performance appraisal by explored the link between performance appraisal and performance (Rodgers, 2020). A quantitative survey method was used, gathering 648 responses from IT sector professionals through a simple random sampling technique. The results indicate a significant positive relationship between employee performance and the company's appraisal system, with all performance appraisal attributes strongly correlated with employee performance in the IT sector, except for daily performance measurement, which negatively impacts performance. The main limitation of this study is that it was done in the

IT sector which is different from the Sacco sector in Kenya. Consequently, the results cannot be used to make a conclusive finding on this research.

Lastly a study was carried out a study to determine the relationship between appraisal and engagement and to explore if increasing engagement could rejuvenate performance appraisal (Govender & Bussin, 2020). Using a qualitative approach, the study reviewed research articles and interviews. Results indicated that higher engagement boosts employee performance and organizational performance. However, there are significant gaps in communication and empowerment, leading to employee demotivation. The study suggests that organizations need supportive management and clearer communication to effectively engage employees and manage performance, thus adding value to all stakeholders and enhancing overall efficiency and effectiveness. The limitation of this study is that it uses communication and empowerment as the intervening variable implying that changing these variables can give a different result. As such, the results cannot be used in our current study because it has different intervening variables leading to a content gap.

A study examined the effects of the appraisal process on employee performance. The study used a secondary qualitative data collection method whereby the data was gathered from journals, websites, and articles (Sahija, 2022). A thematic analysis method was used in the analysis and presentation. The findings showed that performance appraisal has a direct impact on employee performance. However, the study also notes that different appraisal techniques may have different impacts on the firm's results. However, this study was conducted in a different sector other than the banking and the financial sector. As such, the findings from this study cannot be used to make a generalized conclusion on the current topic.

In addition a study explored the impacts of appraisal systems on employee performance in Indian service firms (Chahar, 2021). This study targeted the top 5 service firms operating in Mumbai India. The research used a cross-sectional survey method whereby 390 employees were identified for the research. The respondents were asked to give their opinions on 35 appraisal systems that are commonly used in India. Stratified sampling was used in the selection of the participants after which survey questionnaires were employed. The data was analyzed using quantitative techniques and inferential statistics using SPSS. The results were presented in charts, tables, and graphs for easy visualization. The findings revealed that appraisal systems have a positive impact on performance if the employee has a positive attitude about the appraisals. However, the appraisals can be viewed as negative leading to a bad organizational environment. As such the study recommends the need to educate the employees on the need for performance appraisals in the workplace. The main limitation of this study is that it was conducted in India, thus offering a contextual gap. As such, the findings from this research cannot be used to make a generalized conclusion on the current topic.

Another study examined how compensation affects employee performance in Freight companies in Karachi (Ramish, 2023). This study examined 65 respondents using an unrestricted non-probability sampling method. The research instruments entailed the use of a 5-point Likert scale to collect quantitative data. The data was collected using online questionnaires which were sent to the respondents. It was noted that a positive relationship between compensation and performance exists. The study recommended the need for managers to invest in their compensation programs to increase employee performance. The main limitation of this study is that it was done in the freight and logistics industry which is

different from the deposit-taking sector in Kenya. Consequently, the results cannot be used to make a generalized conclusion on the current topic.

2.3.4 Compensation and Employee Performance

A study on compensation analyzed how motivation effects performance through motivation (Ramish, 2023). The study included all 83 hospital employees as its sample, employing a saturated sampling technique. Findings revealed that compensation impacts employee performance, and motivation, which in turn affects employee performance. These results suggest that compensation is a crucial factor in enhancing employee performance. The main limitation of this study is that it was done in Nigeria which has a different social and economic environment compared to Kenya. As such the results cannot be used to define the current research topic.

A study aimed at investigating the role of work motivation on employee performance (Aboramadan et al., 2020). An ex post facto design was employed, surveying 71 employees through a total sampling technique. The findings revealed that, work motivation positively effects employee performance; compensation positively effects performance. This research was correlational analytical research to evaluate the linear relationships of the factors that lead to work motivation. A sample of 100 respondents was obtained from Kota, Indonesia. The results revealed that motivations encourage the employees, leading to employee motivation. Good compensation leads to commitment in the job whereby the employees feel happy to be part of the organization. However, the study was done in Indonesia which has a different economic environment compared to Kenya. As such, the findings cannot be used to make generalized conclusions on the current topic.

Another study within compensation assessed the role of compensation on employee performance (Holston-Okae & Mushi, 2023). The research objectives included evaluating the current level of employee performance, compensation, and benefits on employee performance. 100 questionnaires were distributed in XYZ College, where a sample size of 80 respondents was targeted. The data collected was analyzed using SPSS and presented using tables and charts. Results showed a positive correlation between compensation and employee performance, and compensation and benefits positively effect employee performance. The study concluded that compensation has a positive impact on the lecturers' performance. However, this study was done in an academic environment implying that it cannot be generalized to the financial sector. As such, the results cannot be used to generalize the results in this topic.

A study examined the impact of compensation management on employee performance in Nigerian organizations (Pfeffer, 2024). The research focused on the effects of the various compensation strategies on performance. The study includes a population of 257 public secondary school employees, with the sample size comprising the entire population. Data were collected using a structured questionnaire, validated through a face content validity method, and a trial test on a random sample of 20 employees. Results reveal compensation models have significant positive effects on employee performance. Consequently, the study concluded that effective compensation management significantly enhances employee performance. Firms should adopt equity-based compensation as a mandatory policy to maximize performance. Additionally, organizations should develop competency-based compensation policies to reward employee contributions and performance. Finally, management should implement performance-based compensation programs at all

organizational levels to drive better performance. However, this study is that it was done in Nigeria which has a different business environment compared to Kenya. As such, the results from this study cannot be used to make a generalized conclusion on the current topic.

2.4 Research Gap Summary

Table 2.1

Research Gap Matrix

Author(s)	Title	Findings	Gaps Identified	How Gaps Were Filled
Mwita et al. (2022)	Impact of Recruitment and Selection on Employee Performance in Tanzania	Significant positive correlation between recruitment/selection practices and employee performance; workforce diversity moderates this relationship.	Geographical gap—conducted in Dar es Salaam, not Nairobi County.	Recommended conducting similar studies in Nairobi County to address regional differences.
Sendawula et al. (2022)	Training and Employee Performance in Uganda’s Health Sector	Training and engagement significantly impact performance; engagement is a stronger predictor; engagement partially mediates the training-performance relationship.	Cross-sectional study—does not track changes over time.	Recommended longitudinal studies to track the long-term effects of training and engagement on performance.
Islam & Hossain (2020)	Impact of Employee Training on Employee Performance in Bangladesh	Training positively affects employee performance and highlights the importance of effective training programs.	Focused on general training impact; may not address specific HR practices.	Suggested further studies on specific HR practices related to training to enhance performance outcomes.
Naji et al. (2020)	Training and Employee Performance in Yemen’s Oil and Gas Sector	Well-structured training programs positively impact employee performance.	Context-specific—focused on Yemen’s oil and gas sector.	Recommended research in different sectors and locations for broader applicability.
Landa (2022)	Impact of Training on Employee	Increased training significantly enhances employee	Focused on a single organization—	Suggested broader studies across various

	Performance at Tanga UWASA	performance, with improvements in efficiency, productivity, and satisfaction.	Tanga UWASA.	organizations for generalizability.
Rodgers (2020)	Relationship Between Performance Appraisal and Employee Performance	All aspects of performance appraisal (except daily measurement) positively correlated with employee performance.	Focused on the IT sector—may not generalize to other sectors or locations.	Suggested replication in different sectors and regions to confirm findings.
Govender & Bussin (2020)	Performance Appraisal and Employee Performance	A positive relationship between performance appraisal and employee performance; identified gaps in communication and empowerment.	Gaps in communication and management support.	Suggested improving communication and management support to enhance engagement and performance.
Aboramadan et al. (2020)	Impact of Work Motivation and Compensation on Employee Performance	Both work motivation and compensation positively impact performance; and account for 33.7% of variance in performance.	General focus on work motivation and compensation without specific contextual application.	Recommended studying specific HR practices and contexts to understand their detailed impact on performance.

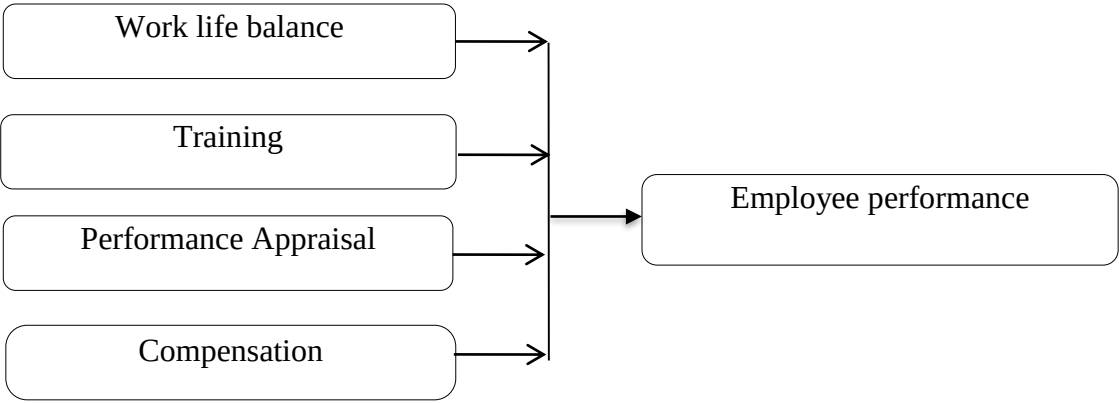
2.5 Conceptual Framework

This is a theoretical underpinning that directs the study, offering a structured comprehension of the primary concepts, variables, and interconnections being examined. It sets up a framework for understanding how human resource practices effect employee performance in deposit-taking SACCOs in Nairobi County. The study's independent variables included work-life balance, training, performance appraisal, and compensation, while the dependent variable

was employee performance. The relationship among these variables is represented in Figure 2.2.

Figure 2.2

Conceptual Framework



Independent variables

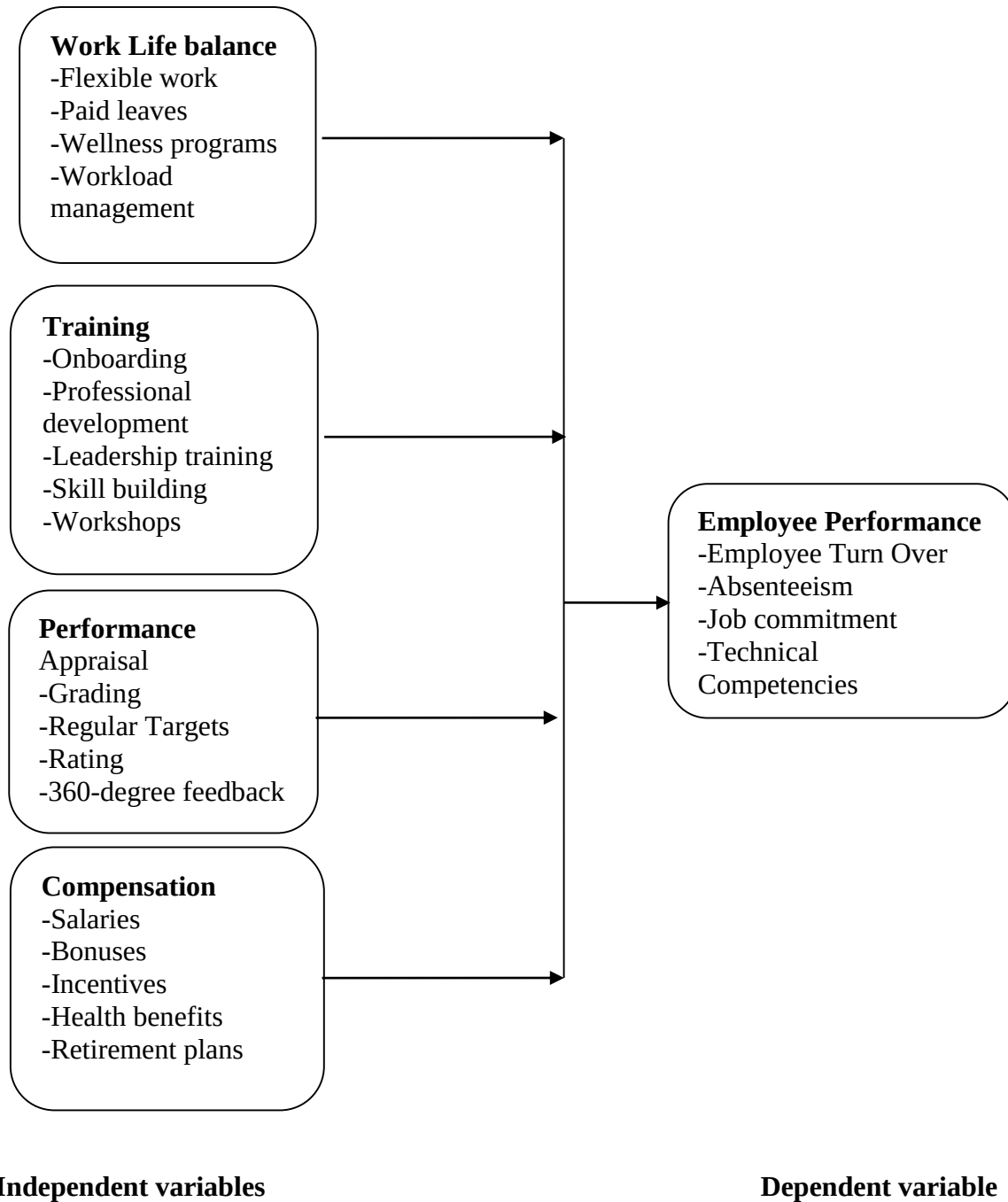
Dependent variable

Source: Researcher (2025)

2.6 Operationalization of Variables

Figure 2.3

Operationalization of Variables



Work-life balance, which has been observed to have a massive input on the performance of the employees. Research argued that a flexible working environment, which includes flexibility in working time, and parenthood leave, stress counseling among others, contributes to the reduction of employee burnout, thus enhancing job satisfaction and performance (Hermina & Yosepha, 2022). Consequently, SACCOs that have good work-life balance policies are likely to record improved performance among the employees.

Training equips employees with skills and knowledge in order to fulfill their roles. The Human Capital Theory mentioned in the thesis is the theory that notes that developing the skills of employees using training will result in their higher productivity and performance (Marginson, 2020). Training can enhance technical skills that ensure outfitting of employees on the requirement of their position in SACCOs, so that the goals of the organization are achieved in a more efficient way. Training is not only a concern to enhance the process of problem solving, but it also leads to job satisfaction-the effect of which has a positive impact on work performance (Islam & Hossain, 2020).

Transparent and objective performance appraisals enable workers to comprehend how their efforts help the organization grow successful and should serve as their source of purpose and accountability (Wolfe & Lawson, 2020). Performance appraisals can be better determined immune to the idea that performance appraisals are viewed as being impartial and fair, then there is a higher possibility that the employees would be inspired to perform well because they know that their performance would be acknowledged and rewarded.

Compensation, which entails wages, bonuses, and other monetary rewards, has a direct effect on motivation and retention. According to the Social Exchange Theory used in the thesis, employees are driven to work better when a certain perception is created that they are utilizing

their efforts appropriately and are rewarded accordingly (Chernyak-Hai & Rabenu, 2021). Merit-based pay structures go a long way in fostering a motivated work-force because individuals are bound to be more active in doing what they do best when they feel that they have adequately been rewarded in efforts to come up with what one has done (Pfeffer, 2024).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This section presents the research design, the target population, the sampling procedure and technique to be used to come up with a desired sample size, data collection methods, pilot tests that were employed to determine the validity and reliability of the research instruments, analysis of the data, and presentation of the data.

3.2 Research Design

Research design refers to the structuring of conditions for the collection and analysis of data in a way that aligns with the research objectives. Essentially a blueprint, it streamlines research operations, ensuring efficiency and maximizing information while minimizing effort, time, and costs. The chosen design for this study was descriptive research, as it aimed to uncover characteristics, frequencies, trends, and categories as well as explaining how? What? Which? about the study (Furidha, 2024). This approach allowed for a thorough exploration of the background of the research problem before enquiring into further investigation.

Descriptive design, serves the primary goal of portraying current situations, employing both qualitative and quantitative methods. This design was particularly valuable for examining the relationship between variables, offering an analytical perspective that probes into specific factors or individual subjects in detail (Peedikayil et al., 2023). Additionally, descriptive research provides a comprehensive portrayal of population characteristics. Descriptive research further provides a comprehensive understanding of current phenomena by observing and documenting characteristics without manipulating variables. This approach is valuable for identifying patterns, relationships, and trends in a natural setting.

The choice of descriptive research design is suitable in this study because it will aid in a descriptive study of the present condition of human resource practices and their effects on workforce performance in deposit-taking SACCOs in Nairobi County. The descriptive research is especially useful in testing the linkages between the major HR practices, notably, work-life balance, training, performance appraisal, and compensation, and performance of employees and gives a good take on how the HR practices are exercised within the SACCO industry. Moreover, using this design as the research design, demographic aspects of the target population i.e. human resource officers and managers can be described in a thorough manner, which will help gain deep insights into their reasoning. The study will employ both qualitative and quantitative methodology in order to have an all-rounded methodology of data collection, enabling trends, patterns, and correlations to be identified in the study population.

3.3 Target population

Target population refers to the units, individuals, or elements under investigation (Degtiar & Rose, 2023). The unit of analysis refers to the major entities that a study is analyzing while the unit of observation refers to the individuals or entities from whom to collect data especially in studies involving primary data collection collecting data (Stratton, 2024). The target population was for the study was study was 87 DT-SACCOs in Nairobi County as the unit of analysis. On the other hand, the unit of observation was employees of DT-SACCOS in Nairobi County, specifically human resource officers and human resource managers who possess a deep understanding of the company's human resource practices.

The human resource officers represented employees at the operational level of staff while the human resource managers represented employees at the middle level of management. There are 87 human resource managers and 293 human resources officers who were the participants

in the research. Therefore, the unit of observation was 380 participants. Table 3.1 shows the participants distribution.

Table 3.1

Participants Distribution

Category	Population size
Human Resource Managers	87
Human resource Offices	293
Total	380

3.4 Sampling Design and Sampling Technique

A sample refers to a subset of the entire population sharing similar characteristics. Sampling, on the other hand, refers to the methods employed to select a sample for a study. Sample chosen should be economically feasible to conduct a study, the sample should also ensure that the researcher is able to conduct the study within reasonable time (Siedlecki, 2020). This study applied two sampling techniques on the population. The first sampling method was simple random sampling technique using a Taro Yamane. The random sampling method was applied on the human resource officers to arrive at a sample of 169 human resource officers. The simple random technique was justified to enable the researcher arrive at a representative sample size using probability where every individual had an equal chance of participating in the study (Rana et al., 2021). The Taro Yamane formula used to come up with the sample size for the human resource officers is given as follows;

$n = N / [1 + N(e^2)]$. Where N is the population, and e is the margin of sampling error. Therefore, to come up with the sample size given a margin error of 5% was as follows: $n = 293 / [1 + 293(0.05^2)] = 169$ human resource officers. The distribution for the sample was as follows;

In addition, the study applied purposeful sampling to arrive at 10 human resource managers. According to a previous study purposeful sampling is used through managerial judgement where the researcher pre-determines the sample size appropriate for the study (Stratton, 2024). As such the researcher considered 10 human resources managers as sufficient to provide qualitative data through interviews. It's more cost efficient to conduct interviews from the 10 participants. Therefore, the aggregated sample for the study will be 179 participants as shown in table 3.2.

Table 3.2

Distribution of Sample

Category	Population Size	Sample	Method
Human Resource Managers	87	10	Purposeful
Human Resource offices	293	169	Simple random
Total	380	179	

Source: Researcher (2025)

3.5 Data Collection Instrument

Data was collected using both questionnaires and interviews due to their convenient administration and efficient data collection capabilities. The questionnaires were administered to the human resources officers whereas interviews were administered to the human resources managers. Questionnaires were used for human resource officers to collect quantitative data. The Likert scale allowed for easy quantification of attitudes and opinions. Interviews with human resource managers provided qualitative insights, capturing deeper, subjective perspectives on HR practices and employee performance. This mixed-methods approach ensured a holistic understanding of the research topic, combining broad statistical trends with detailed personal insights. The questionnaire comprised six sections: the first focused on

gathering demographic information, while sections 2 to 5 targeted data related to specific objectives (work-life balance, training, performance appraisal, and compensation). Section 6 collected data on the dependent variable (employee performance). The questionnaire utilized Likert scale questions with a five-point scale ranging from 1 (strongly disagree) to 5 (strongly agree). The interview schedule was constructed allowing the interviewees to provide their in-depth insights on the subject of human resource practices and performance of the employees while only serving as a guide with questions on the four variables.

3.6 Data Collection Procedure

Two research assistants facilitated data collection through both physical administration and an online platform (Google Sheets), spanning two weeks. In the physical approach, research assistants visited the workplaces of targeted respondents, obtaining consent before distributing and collecting the questionnaires. An online option was provided to enhance response rates, offering a more accessible method for participants. Participants were reminded to click the submit button after completing the online questionnaire, streamlining data entry for the researcher. Ultimately, data from both sources was compiled after entering the physical questionnaires.

On the other hand, interviews were administered among the human resource managers within two weeks. Before interviews consent was sought from the participants explaining first the purpose of the study as well as the rights of the participants in the exercise. Face-to-face interviews were conducted while concurrently taking notes during the interviews. Participants who were not physically available were interviewed using online meeting platforms such as Zoom and Google Meet.

3.7 Pilot Testing of the Questionnaire

A pilot test to ascertain that the questionnaire was flawless was conducted before the collection of data. A pilot test serves as a smaller-scale trial of the main study, conducted to assess the feasibility of the study, refine data collection methods and instruments, address logistical issues, and estimate the resources required for the full-scale study (Siedlecki, 2020). This research conducted a pilot test to evaluate the questionnaire's validity and reliability in Kiambu County in 5 DT-SACCOs on 17 human resource officers and 1 human resource manager representing 10% of the sample size. As suggested by a scholar a sample size of 10% of the anticipated smaller study size is adequate for a pilot study (Siedlecki, 2020). However, the findings were only used to improve the instrument but were not added to actual findings.

3.7.1 Validity of the Research Instrument

To ensure the questionnaire effectively captures the intended study data, a thorough evaluation of both face and construct validity was imperative. It is essential to eliminate any ambiguity or vagueness in the questionnaire, ensuring clear and understandable wording for respondents. Face validity was established through input from human resource managers, university lecturers, and professionals, whose insights and suggestions played a crucial role in refining the instrument. Rigorous testing for construct validity involved the use of the Kaiser-Meyer-Olkin (KMO) and Bartlett tests. A predefined KMO threshold of 0.7 was set, with constructs scoring above this mark deemed suitable for further analysis. Additionally, Bartlett tests were conducted at a predetermined threshold of 0.05; constructs scoring below this were considered adequate for subsequent analysis. This process was vital in ensuring the questionnaire's reliability and capacity to generate meaningful data for the study. Face validity was conducted on the interviews through human resource specialists within the financial sector. The exercise

entailed checking the wording of the interview to ensure that questions within human resource practices were sought.

3.7.2 Reliability of Research Instruments

Reliability is the internal consistency of the instrument. To evaluate the reliability of the constructs, the study utilized Cronbach's alpha tests, with a threshold of 0.7 being deemed suitable for subsequent analysis. Values above 0.7 demonstrated the instrument was reliable whereas values below 0.7 threshold showed that the instrument was not reliable.

3.8 Data Analysis and Presentation

This study used a mixed data analysis approach of both quantitative and qualitative data. Thematic analysis was used in analyzing qualitative data, which was obtained through open-ended questions, as well as interviews. Pattern or theme identification, exploration and interpretation of these patterns or themes within the responses to an interview is a common qualitative method. Thematic analysis is a method of organization and exposition of the shares of the participants of the research (their experiences, perceptions, and opinions), which gives important information on the topic. Triangulation of results was then implemented by applying the result of the quantitative research with the qualitative findings to allow comprehensiveness in the data analysis.

In the quantitative, the answers of the closed questions in the questionnaire were evaluated with the SPSS software. To summarize the statistics, descriptive analysis was conducted which included measures of dispersion like standard deviation as well as the measures of central tendency i.e. mean, frequency and percentage. Relationships between the independent variables (work-life balance, training, performance appraisal, and compensation) and the

dependent variable (employee performance) were tested in inferential analysis (especially regression analysis).

In order to test the hypotheses, regression models were used, in particular, bivariate regression analysis and multiple regression analysis. In case of bivariate regression, individual independent variables (HR practice) were applied to provide answers whether employee performance and HR practice exhibited a significant relationship or not. Tables and charts were used to give the results. Likert scale data, which typically ranges from 1 (Strongly Disagree) to 5 (Strongly Agree), was transformed into categorical data.

In a bivariate regression case the model is written as:

$$Y = \alpha + \beta_1 X_1 + \varepsilon \dots \dots \dots (\text{equation 3.2})$$

The multiple regression model that was applied is expressed as;

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon \dots \dots \dots (\text{equation 3.3})$$

Where Y represents employee performance, and X_1 to X_4 represents the independent variables (work-life balance, training, performance appraisal, and compensation). The coefficients β_1 to β_4 indicate the coefficients of the independent variables, and ε denotes the error term in the model (Imai & Kim, 2021).

3.8.1 Diagnostic Tests

The test utilized multi-linear regression analysis, necessitating confirmation that all assumptions of the model, such as normality, homoscedasticity, multi-collinearity, and autocorrelation, have been verified.

3.8.2 Normality Test

The study conducted normality tests on the residuals to ensure their adherence to a normal distribution, as a deviation from normality can impact the reliability of statistical tests. The

chosen normality test for this research was the Kolmogorov-Smirnov test, where a p-value exceeding the significance level of 0.05 indicated a normal distribution of the data (Siedlecki, 2020). A significance level of 0.05 was employed and observed p-values above this threshold signified normal data distribution. Conversely, a p-value less than 0.05 suggested a non-normal distribution.

3.8.3 Homoscedasticity Test

Another crucial assumption was the absence of variation among the independent variables; if there is a lack of uniform variation in residuals among these variables, it implies the presence of heteroscedasticity. To test for homoscedasticity, the study employed the Breusch-Pagan test, regressing independent variables against the square of the unstandardized residuals. If the resulting p-values are higher than 0.05, it indicates homogeneity in the residuals for the independent variables; conversely, values below 0.05 suggest the presence of heteroscedasticity. Previous scholars have confirmed the applicability of the Breusch-Pagan test in SPSS for testing heteroscedasticity in multiple regression analysis by regressing independent variables against unstandardized residual values (Siedlecki, 2020).

3.8.4 Multi-collinearity Test

To ensure the independence of variables, each independent variable must remain unaffected by changes in another. Multi-collinearity, stemming from high correlations among independent variables, can lead to inaccurate estimations and misinterpretation of findings. The study employed the Variance Inflation Factor (VIF) or tolerance to detect multi-collinearity. VIF values below 4 indicate the absence of multi-collinearity, while values nearing 10 suggest its presence, necessitating the removal of highly correlated variables. Additionally, correlation analysis, specifically Pearson (r) scores, was applied to identify

highly correlated variables. Variables with an r score exceeding 0.7, and being statistically significant were dropped to mitigate multi-collinearity. This approach aligns with previous study recommendation for correlation analysis between independent variables alone to address multi-collinearity concerns (Stratton, 2024).

3.9 Hypothesis Testing

Hypothesis testing is done in this research to test the effects of human resource practices on employee performance in the deposit-taking SACCOs in Nairobi County. To achieve the research purpose, the study used bivariate regression analysis in determining the overall contribution of each HR practice; work-life balance, training, performance appraisal and compensation with regard to worker performance. Research hypotheses were stipulated as:

Null Hypothesis (H_0): There is no significant relationship between the HR practice (work-life balance, training, performance appraisal, or compensation) and employee performance.

3.10 Ethical Considerations

This research has taken into consideration strong ethics to preserve the rights of the participants and also the integrity of the research. Participants voluntarily signed a consent form understanding the aim of the research, the steps that would be taken, and possible risks associated with the research as well as their right to drop out without entailing any repercussions. The protection of confidentiality was achieved by ensuring all data were safeguarded and applied purely in academic practice. The research-maintained beneficence by reducing the harm to a minimum and maximize the benefits to the participants. Ethical standards were emphasized on, and all the sources were appropriately cited in APA format such that the findings were accurately presented. The study was inclusive in that it gave every participant a chance irrespective of their demographic basis. Moreover, the Kenya Methodist

University (KeMU) ethical review board provided ethical approval of the study and a NACOSTI permit was obtained, thus meaning that the study is performed according to the national research standards. Additionally, the research strictly adheres to academic integrity by avoiding plagiarism, ensuring that all sources are appropriately cited and credited, maintaining the authenticity of the study.

CHAPTER FOUR: RESULTS AND DISCUSSIONS

4.1 Introduction

Chapter four presents the results and discussion guided by the objectives of the study which were: to establish the effect of work-life balance on employee performance in deposit-taking SACCOs in Nairobi County, to assess the effect of training on employee performance in deposit-taking SACCOs in Nairobi County, to establish the effect of performance appraisal on employee performance in deposit-taking SACCOs in Nairobi County and to assess the effect of compensation on employee performance in deposit-taking SACCOs in Nairobi County.

4.1.1 Response Rate

This research conducted a pilot test to evaluate the questionnaire's validity and reliability in Kiambu County in 5 DT-SACCOs on 17 human resource officers and 1 human resource manager representing 10% of the sample size. The pilot study sample was not used in main study data collection. On the main study data collection, a total of 169 questionnaires were distributed among the human resources officers in DT-SACCOs in Nairobi County, yielding 146 valid responses. This represents a response rate of approximately 86.4%, which is significantly higher than the commonly accepted threshold of 70% for survey-based research. Additionally, six interviews were conducted among human resource managers in six DT-SACCOs representing a response rate of 60%. The high response rate can be attributed to effective data collection strategies, such as a combination of physical drop-off and email methods, and active follow-up with respondents.

4.1.2 Reliability Test

Reliability analysis was conducted to assess the internal consistency of the research constructs using Cronbach's Alpha. Cronbach's Alpha is a measure that determines the extent to which items within a scale are correlated, with values above 0.7 considered acceptable for research purposes.

Table 4.1

Reliability Test

Variable	Cronbach's Alpha	N of Items
Work-Life Balance	0.921	8
Training	0.934	10
Performance Appraisal	0.942	8
Compensation	0.923	10
Employee Performance	0.952	8

The results indicated that all variables surpassed the recommended threshold, demonstrating high reliability. Specifically, work-life balance had a Cronbach's Alpha of 0.921, training 0.934, performance appraisal 0.942, and compensation 0.923, and employee performance 0.952. These findings imply that the measurement items for each construct consistently captured the intended attributes, ensuring dependable data for subsequent analyses. The high-reliability values affirm that the questionnaire items were well-structured and appropriate for investigating the effect of human resource practices on employee performance in deposit-taking SACCOs in Nairobi County.

4.1.3 Validity Test

Validity was assessed using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity to determine the suitability of the data for factor analysis.

Table 4.2

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.846
Bartlett's Test of Sphericity	Approx. Chi-Square	430.508
	df	10
	Sig.	.000

The KMO value obtained was 0.846, exceeding the recommended threshold of 0.7, indicating that the sample was adequate for reliable factor analysis. Additionally, Bartlett's Test of Sphericity yielded a chi-square value of 430.508 with a significance level (p-value) of 0.000, which is less than 0.05. This result suggests that the correlation matrix was not an identity matrix and that the variables were sufficiently correlated to proceed with factor analysis.

4.2. Demographic Characteristics of the Respondents

This section of the study sought to establish the demographic characteristics of the human resource officers who participated in the study. This information helps in analyzing how these factors might influence perceptions and responses to human resource practices. It enables the identification of patterns or trends within specific subgroups. Table 4.3 shows the results.

Table 4.3*Demographic Characteristics*

Demographic	Frequency	Percent (%)
<i>Gender</i>		
Female	96	65.8
Male	50	34.2
<i>Work Experience</i>		
4 to 9 years	85	58.2
10 to 12 years	41	28.1
Above 12 years	20	13.7
<i>Level of Your Education</i>		
Certificate	2	1.4
Diploma	29	19.9
Bachelor's Degree	104	71.2
Master's Degree	7	4.8
Postgraduate	4	2.7

The demographic profile of the respondents revealed that 34.2% were male and 65.8% were female, indicating that the majority of the human resource officers surveyed were female. The imbalance or preference for one gender over another is more likely due to unconscious biases, stereotypes, or lack of targeted initiatives to attract and retain a diverse workforce. Regarding work experience, 58.2% of the respondents had worked in their organizations for 4 to 9 years, 28.1% had served between 10 to 12 years, and 13.7% had been employed for over 12 years. This shows that most respondents had substantial experience, enhancing the reliability of the information provided. In terms of educational qualifications, 1.4% held certificates, 19.9% held diplomas, 71.2% possessed bachelor's degrees, 4.8% had master's degrees, and 2.7% held postgraduate qualifications. These results indicate that the majority of the respondents were highly educated, providing a knowledgeable and experienced sample base for evaluating the effect of human resource practices on employee performance.

4.3 Descriptive Statistics

The study conducted a descriptive analysis to establish the descriptive statistics on the variables (work-life balance, training, performance appraisal, compensation) through the determination of the frequency, percentage, mean, and standard deviation. The data was coded from strongly disagree as 1 to 5 representing strongly agree. The mean score was from the points. However, for purposes of analysis and interpretation, Likert scale data transformed into categorical data for analysis. As follows: Scores ≤ 2 = disagree, Score = 3 = Neutral, Scores ≥ 4 = Agree.

4.3.1 Descriptive Statistics on Work-Life Balance

The study sought to assess the status of work-life balance practices within deposit-taking SACCOs in Nairobi County. Table 4.4 shows the results.

Table 4.4

Descriptive Statistics on Work-Life Balance

Statements on Work-Life Balance	SD	D	N	A	SA	M	Std. Dev
Our organization encourages remote work schedule	2 (1.4%)	12 (8.2%)	39 (26.7%)	63 (43.2%)	30 (20.5%)	3.73	0.927
Our organization encourages flexible working hours	2 (1.4%)	12 (8.2%)	40 (27.4%)	48 (32.9%)	46 (31.5%)	3.86	0.987
Our organization gives employees parental leaves-maternity and paternity leaves	5 (3.4%)	5 (3.4%)	44 (30.1%)	50 (34.2%)	39 (26.7%)	3.75	1.021
Our organization gives sick leave days	3 (2.1%)	12 (8.2%)	35 (24.0%)	54 (37.0%)	42 (28.8%)	3.82	1.008
Our organization offers stress and mental counselling package	1 (0.7%)	4 (2.7%)	48 (32.9%)	52 (35.6%)	41 (28.1%)	3.88	0.878
Our organization has health and insurance schemes for its staff	5 (3.4%)	5 (3.4%)	41 (28.1%)	52 (35.6%)	40 (27.4%)	3.78	1.02

Our organization ensures that employees do not have excessive workloads	3 (2.1%)	12 (8.2%)	41 (28.1%)	56 (38.4%)	38 (26.0%)	3.81	0.956
Our organization has clear boundaries between personal and work life	5 (3.4%)	38 (26.0%)	38 (26.0%)	57 (39.0%)	41 (28.1%)	3.85	0.985

The statement that the organization encourages remote work schedules received an average score of 3.7, suggesting that the majority of respondents either agree or strongly agree with this practice. Specifically, 43.2% of respondents agreed, while 20.5% strongly agreed. However, 26.7% of respondents remained neutral, implying that not all employees may feel the full benefit of this arrangement.

The data shows 32.9% of respondents agreed, and 31.5% strongly agreed that their organizations provide flexible working hours. This aspect scored slightly higher, with an average of 3.86 (SD = 0.987). This flexibility is clearly viewed as beneficial by a significant portion of employees, contributing to job satisfaction and employee engagement. Nevertheless, 27.4% remained neutral, which could suggest varying levels of flexibility across different SACCOs.

The availability of parental leave received a score of 3.75 (SD = 1.021), with a notable 34.2% of employees agreeing and 26.7% strongly agreeing. However, the remaining respondents were either neutral or disagreed, which points to the fact that not all organizations may have robust parental leave policies in place.

With a mean score of 3.82 (SD = 1.008), sick leave was recognized as a beneficial policy by many respondents, with 37% agreeing and 28.8% strongly agreeing. The relatively high percentage of employees who felt positive about sick leave reflects an essential aspect of work-life balance, particularly in safeguarding employee health and well-being.

This policy received a mean of 3.88 (SD = 0.878), indicating strong support among employees, with 35.6% agreeing and 28.1% strongly agreeing that their organizations provide stress and mental health counseling. However, 32.9% were neutral, indicating that this practice might not be fully implemented across all SACCOs. These findings suggest that SACCOs are beginning to recognize the importance of mental health support, contributing to a healthier work environment.

The provision of health and insurance schemes scored 3.78 (SD = 1.02), with 35.6% agreeing and 27.4% strongly agreeing that their organizations offer these benefits. While the majority perceive these schemes as beneficial, some respondents might feel the coverage is insufficient, as 28.1% remained neutral, highlighting potential gaps in how these benefits are communicated or structured.

Workload management received an average of 3.81 (SD = 0.956). 38.4% of respondents agreed and 26% strongly agreed that their organization ensures employees do not face excessive workloads. This indicates that SACCOs are likely focusing on maintaining a balanced workload for employees, but the 30.3% who were neutral could point to inconsistency in workload distribution across various departments or roles.

This practice received a mean score of 3.85 (SD = 0.985), with 39% agreeing and 28.1% strongly agreeing that their organization maintains clear boundaries between work and personal life. This shows a strong alignment with work-life balance initiatives, as employees appreciate policies that support personal well-being and help to mitigate work-related stress.

The highest agreed on statement was on organization offering stress and mental counselling package, with a mean of 3.88. The policy is therefore considered a priority among the workers.

Effective work-life balance strategies contribute to increased employee satisfaction and organizational performance (Hermina & Yosepha, 2022). Further, they align with Herzberg's Two-Factor Theory, which emphasizes that addressing hygiene factors like leave policies and flexible work arrangements prevents dissatisfaction and promotes engagement (Soelistya, 2024). Therefore, SACCO's investment in work-life balance initiatives supports improved employee outcomes.

4.3.1.1 Thematic Analysis of Work-Life Balance

Human resources managers who were interviewed were asked whether their organization had a work-life balance for their employees and the ways it's handled by their organization. *Respondent 001* said that their organization had introduced flexible working hours which had helped their staff to reduce their stress levels which is in agreement with what the human resources officers said. This supports Herzberg's Two-Factor Theory, where autonomy and trust are considered intrinsic motivators (motivators) that enhance employee satisfaction and engagement. In contrast, the lack of adequate leave, poor workload management, or unrealistic performance expectations function as hygiene factors. When these are not addressed, they result in dissatisfaction, as seen in the experience of the second respondent.

Respondent 002 revealed that there exist policies on work-life balance although there has not been a full commitment to their implementation which depicts a change with implementation despite formulation on work-life being in place. This finding aligns with previous study which emphasized that flexible work arrangements increase productivity and emotional well-being, especially when supported by organizational culture (Kumari & Vasantha, 2021). Their study established that organizations that recognize employees' family commitments tend to retain more satisfied and productive workers.

This experience mirrors the findings which reported that unresolved work-family conflicts in Kenyan organizations reduce employee engagement and increase absenteeism. The interviewee pointed out that the failure to align work demands with family responsibilities led to frustration and underperformance.

Respondents 003 and 004 revealed that the organization had introduced work-life balance which had to do with hygiene factors of the employees and job satisfaction, the employee was allowed to participate in physical health activities and even have breaks between work such as lunch breaks, tea breaks and even shorter time to work during the weekend where the workers were working half day allowed not to work on public holidays and Sundays. The findings of this study also align with Herzberg's Two-Factor Theory, which distinguishes between hygiene factors and motivators. Policies such as flexible schedules, autonomy in taking leave, and support for family responsibilities function as motivators that lead to job satisfaction and higher performance. However, when high workloads, unrealistic targets, or unmonitored overtime persist, they act as negative hygiene factors that contribute to employee dissatisfaction and stress. The theory asserts that merely eliminating dissatisfaction does not ensure satisfaction it is the presence of true motivators, like autonomy and recognition that fosters engagement and performance.

Respondents 005 and 006 noted that they have policies on work-life balance to allow their employees sick leave, paid leaves, and maternity and paternity leave as work hygiene factors that enhance job satisfaction. The above findings are consistent with the previous study which found that employee performance is heavily dependent on how work-life policies are translated into practice (Soelistya, 2024). Their research emphasized that positive work environments that genuinely respect personal time significantly reduce burnout and turnover.

4.3.2 Descriptive Statistics on Training

The study examined specific training practices in deposit-taking SACCOs in Nairobi County.

Table 4.5 shows the results.

Table 4.5

Descriptive Statistics on Training

Statements on Training	SD	D	N	A	SA	Mean	Std. Deviation
Our onboarding process effectively integrates new employees into the organization.	5 (3.4%)	15 (10.3%)	48 (32.9%)	45 (30.8%)	33 (22.6%)	3.59	1.055
Information provided during onboarding is comprehensive and useful.	6 (4.1%)	23 (15.8%)	36 (24.7%)	46 (31.5%)	35 (24.0%)	3.55	1.139
Our professional development programs help employees enhance their skills.	5 (3.4%)	16 (11.0%)	47 (32.2%)	46 (31.5%)	32 (21.9%)	3.58	1.056
Our organization supports continuous professional development opportunities.	5 (3.4%)	11 (7.5%)	29 (19.9%)	64 (43.8%)	37 (25.3%)	3.80	1.015
Leadership training programs in our organization effectively prepare employees for leadership roles.	1 (0.7%)	17 (11.6%)	43 (29.5%)	52 (35.6%)	41 (28.1%)	3.69	0.987
The content of leadership training in our organization is relevant and practical.	5 (3.4%)	5 (3.4%)	43 (29.5%)	56 (38.4%)	36 (24.7%)	3.54	1.077
Our skill-building sessions are tailored to meet job requirements.	6 (4.1%)	12 (7.5%)	43 (29.5%)	56 (38.4%)	36 (24.7%)	3.72	1.049
Employees in our organization have adequate opportunities to participate in skill-building activities.	1 (0.7%)	11 (7.5%)	35 (24.0%)	52 (35.6%)	26 (26.0%)	3.78	0.979
Workshops in our organization provide valuable knowledge and	5 (3.4%)	9 (6.2%)	36 (24.7%)	59 (40.4%)	37 (25.3%)	3.66	1.039

skills applicable to the job.							
The frequency of workshops in our organization is sufficient to meet employee needs.	6 (4.1%)	18 (12.3%)	26 (17.8%)	59 (40.4%)	37 (25.3%)	3.71	1.103

The effectiveness of the onboarding process scored a mean of 3.59 (SD = 1.055). When combined, 54.2% of respondents (22.6% strongly agreed, 31.6% agreed) found the onboarding process effective, while 13.7% (3.4% strongly disagreed, 10.3% disagreed) felt it was inadequate, and 32.9% were neutral. This indicates that while a majority appreciated the onboarding process, a considerable proportion of employees feel there is room for improvement, especially in integration and clarity during the process.

The statement about the quality of information provided during onboarding had a mean of 3.55 (SD = 1.139). Here, 55.5% (31.5% agreed, 24% strongly agreed) felt the information was sufficient and comprehensive. However, 20.5% (6.1% strongly disagreed, 14.4% disagreed) felt the onboarding lacked depth or clarity, and 24.7% were neutral, indicating a need to refine the information provided to new hires for better clarity and engagement.

Professional development scored a mean of 3.58 (SD = 1.056), with 53.4% (31.5% agreed, 21.9% strongly agreed) finding the programs helpful. Conversely, 23.8% (9.3% strongly disagreed, 14.4% disagreed) disagreed, and 32.2% were neutral. This reflects a positive view, although some employees feel that these programs may not be tailored to their specific developmental needs.

With a mean of 3.80 (SD = 1.015), continuous professional development was strongly supported, with 67.2% (48.4% agreed, 18.8% strongly agreed) appreciating the ongoing support for their growth. Only 12.9% (5.4% strongly disagreed, 7.5% disagreed) disagreed,

and 19.9% were neutral, suggesting that the majority of employees recognize and value this support, though some feel it could be more consistently applied across SACCOs.

This aspect scored 3.60 (SD = 0.987), with 52.8% (28.1% agreed, 24.7% strongly agreed) viewing leadership training positively. However, 40.8% (6.3% strongly disagreed, 4.8% disagreed, 29.5% neutral) were less convinced of its relevance, indicating that leadership training might need better targeting or restructuring to meet the specific needs of employees in leadership roles.

Skill-building sessions scored a mean of 3.72 (SD = 1.049). 73.6% (44.8% agreed, 11.6% strongly agreed) found the skill-building sessions relevant and valuable for their job performance, while 18.5% (12.4% disagreed, 6.1% strongly disagreed) did not, and 25.2% were neutral. This reflects a largely positive response, though it suggests that not all employees feel these sessions are fully aligned with their specific roles or needs.

Workshops scored 3.66 (SD = 1.039), with 70.2% (44.9% agreed, 25.3% strongly agreed) appreciating their value. However, 9.4% (3.4% strongly disagreed, 6.8% disagreed) felt that the workshops were not useful, and 17.8% were neutral. This suggests that while workshops are generally seen as beneficial, some employees may not find them directly applicable to their work, signaling a need for more targeted or role-specific sessions.

The frequency of training received a mean of 3.71 (SD = 1.034), with 69.9% (44.6% agreed, 25.3% strongly agreed) expressing satisfaction with how often training occurs. However, 16.9% (12.8% disagreed, 4.1% strongly disagreed) felt training was not frequent enough, and 17.8% were neutral. While most employees feel training is adequately frequent, there is still a segment that feels it should be offered more often to better meet their development needs.

The highest agreed on statement was on organization supporting continuous professional development opportunities, with a mean of 3.8. The policy is therefore considered a priority among the workers.

These findings corroborate human capital theory, emphasizing that investment in training enhances employee capabilities (Marginson, 2020). They also align with previous research which highlighted that training directly improves employee productivity and engagement, critical for SACCOs' competitive success (Sendawula et al., 2022).

4.3.2.1 Thematic Analysis of Training

This section of the study sought the human resource managers to give their insights on the types of training done by their organization for its employees. *Respondents 003 and 004* noted that they usually conduct both on-the-job and outside-the-job training. The main focus of the on-the-job training is aimed at improving their performance on the tasks as they perform whereas the off-the-job training is aimed at giving them general knowledge of what is required at their workplace. The common types of off-the-job training included using Google Meet and physical workshops to attend training from external consultants hired by the company. Similarly, another study found that training enhances knowledge, skills, and attitudes (KSAs), leading to better customer service, timeliness, and creative problem-solving all of which were echoed by respondents in this study (Islam & Hossain, 2020).

Respondents 001 and 005 noted that their training is focused on professional development, leadership training, and skills building to be able to perform the tasks better. *Respondents 001 and 005* noted that they have boot camps for workshops where they attend the training to upscale the knowledge, skills, and abilities of their staff, consultants are usually hired to talk

to the employees as well as learn from case studies of exemplary financial institution practices. 001 and 005 noted that they mainly have training organized to ensure employees are aware of policies at the workplace as part of onboarding and helping them comply with both organization and industry requirements. These findings are consistent with previous findings in Uganda's health sector which found that training contributes to enhanced performance through its effect on employee engagement (Sendawula et al., 2022). Though contextual differences exist, the study reinforces the role of training as a driver of workplace efficiency and individual growth.

The interviews were also asked to highlight some of the professional development and leadership training opportunities that are available for top managers. All the interviews noted that there were professional development opportunities available to the top managers; participation in strategic management workshops, workshops on corporate governance, leadership and ethics, project management and leadership professional training, and benchmark training on balanced scorecards. Among the schools that were quoted to be offering professional and leadership training courses included Kenya Institute of Management (KIM), and Kenya School of Governance. The training was planned to provide strategic thinking focus, ensuring regulatory compliance and effective leadership to ensure competitiveness within the financial sector. The training was also highlighted to be essential in ensuring succession from one leadership generation to the next through succession management. Such investment reflects the foundational tenets of Human Capital Theory, which emphasizes the significance of skill development as a means to boost productivity and job performance (Marginson, 2020).

4.3.3 Descriptive Statistics on Performance Appraisal

The study analyzed employee perceptions of performance appraisal systems in deposit-taking SACCOs. Table 4.6 shows the descriptive results.

Table 4.6

Descriptive Statistics on Performance Appraisal

Statements on Performance Appraisal	SD	D	N	A	SA	Mean	Std. Deviation
The performance appraisal system fairly grades employees based on their actual job performance.	3 (2.1%)	6 (4.1%)	23 (15.8%)	62 (42.5%)	52 (35.6%)	4.05	0.931
My performance grade accurately reflects my contributions to the SACCO.	3 (2.1%)	3 (2.1%)	30 (20.5%)	55 (37.7%)	55 (37.7%)	4.07	0.922
I am regularly evaluated based on the achievement of clearly defined performance targets.	3 (2.1%)	4 (2.7%)	43 (29.5%)	49 (33.6%)	47 (32.2%)	3.91	0.954
The performance targets set for me are realistic and achievable within the given time frame.	5 (3.4%)	2 (1.7%)	23 (15.8%)	60 (41.1%)	54 (37.0%)	4.05	0.974
Customer feedback ratings are effectively used to assess and improve employee performance.	0 (0.0%)	7 (4.8%)	48 (32.9%)	44 (30.1%)	47 (32.2%)	3.90	0.915
The ratings I receive from customers accurately reflect the	3 (2.1%)	3 (2.1%)	34 (23.3%)	53 (36.3%)	52 (35.6%)	4.01	0.943

quality of service I provide.							
Customers evaluates us on the services we offer them.	4 (2.7%)	3 (2.1%)	32 (21.9%)	52 (35.6%)	51 (35.0%)	4.03	0.964
Am assessed on how I cope with other team members.	2 (1.4%)	7 (4.8%)	37 (25.3%)	54 (37.0%)	46 (31.5%)	3.92	0.940

The statement that the performance appraisal system fairly grades employees based on their actual job performance scored a mean of 4.05 (SD = 0.931). 35.6% of respondents strongly agreed, and 52% agreed, reflecting a strong positive response. However, 15.8% remained neutral, and 2.1% disagreed, indicating that a small portion of employees may feel the system is not fully reflective of their actual performance.

With a mean of 4.07 (SD = 0.922), the majority of employees (37.7% strongly agreed, 55.5% agreed) felt their performance grade accurately reflects their contributions to the SACCO. This high percentage suggests that employees generally view the performance grading system as fair and in alignment with their efforts. However, 20.5% were neutral, suggesting that not all employees fully agree on how their contributions are assessed.

This statement scored 3.91 (SD = 0.954), with 32.2% of employees strongly agreeing and 49.4% agreeing that they are regularly evaluated based on the achievement of clearly defined performance targets. A portion of respondents, 29.5%, remained neutral, which may indicate a lack of clarity or consistency in target setting across different SACCOs.

With a mean score of 4.05 (SD = 0.974), 37% of respondents strongly agreed, and 51.5% agreed that the performance targets set for them are realistic and achievable within the given time frame. A small percentage of 15.8% disagreed or were neutral, which suggests that some employees may feel that the targets could be better aligned with their actual work capacities.

The effectiveness of customer feedback in assessing and improving performance scored 4.01 (SD = 0.943), with 35.6% of employees strongly agreeing and 42.2% agreeing. This indicates a positive perception of how customer feedback is used for performance evaluation, although 23.3% remained neutral, pointing to potential gaps in feedback application or interpretation.

The ratings received from customers were seen as reflective of service quality, with a mean of 3.95 (SD = 0.931). 35.6% of employees strongly agreed, and 41.6% agreed, suggesting that most employees view customer ratings as an accurate reflection of their performance. However, 2.1% disagreed, indicating room for improvement in how customer feedback is gathered or applied.

The statement about being assessed on how employees work with their team members had a mean score of 4.05 (SD = 0.931), with 31.5% strongly agreeing and 54.2% agreeing. This indicates that the majority of employees' value team collaboration as part of their performance appraisal, but a small percentage, 25.3%, were neutral. The highest agreed on statement was on performance grade accurately reflecting the employees' contributions to the SACCO, with a mean of 4.07. This implies that productivity of employees' impact SACCOs performance.

These findings align with organizational justice theory, which stresses the importance of fairness and transparency in organizational processes (Wolfe & Lawson, 2020). They are further supported by previous study which found that fair and objective appraisal systems enhance employee trust and performance, crucial for SACCOs' operational effectiveness (Rodgers, 2020).

4.3.3.1 Thematic Analysis on Performance Appraisal

This section of the study sought the interview's in-depth insights on the Performance Appraisal practices within the SACCOs. The interviewees were asked to describe how their organization ensures that performance appraisals are fair and accurately reflect employee contributions. Respondents 001 and 005 noted that their organizations used 360- a 360-degree feedback approach to ensure that multiple stakeholders were involved before arriving at a decision such as customers and fellow employees. Balanced scorecard approaches were also used to benchmark the employees and existing competence registers. Other interviews noted that employees were given immediate feedback after appraisal and compensation was aligned according to the outcome to enhance motivation. Therefore appraisals were considered as avenues for giving growth opportunities to the employees.

The findings align so well with the element of distributive justice in Organizational Justice Theory, where employees expect to receive rewards and recognition that reflect their contributions. Positive reinforcement through performance appraisals can motivate employees to continue performing at a high level and improve overall organizational performance. The findings of this study are consistent previous research, which indicated that regular and structured performance appraisals can help organizations identify training needs and serve as a motivational tool, ultimately leading to improved performance. Similarly, the findings resonate with previous research which emphasizes that increasing engagement in the performance appraisal process can enhance employee performance. Both studies highlight the importance of fair and transparent evaluation systems in motivating employees and improving organizational outcomes (Govender & Bussin, 2020).

The other sections of the interview on performance appraisal sought in-depth insights from participants on whether the customers gave their input during the appraisal. The interviews note that through 360 –a 360-degree approach to employee appraisal customers are key in evaluating the employees because they can account for an experience they hand with a service given to them by the safe. Therefore customers are quite important in performance appraisal and are mainly used by the SACCOs to ensure that appraisal is fair and holistic.

The findings also align with the Organizational Justice Theory, which underscores the importance of fairness in performance appraisals. The study's emphasis on clear criteria, transparency, and incorporating multiple feedback sources supports the three key elements of Organizational Justice: distributive, procedural, and interactional justice. By applying these principles, organizations can ensure that their performance appraisals are perceived as fair, fostering employee trust and enhancing overall performance.

Moreover, while Organizational Justice Theory provides a valuable framework, it also has limitations, particularly in how fairness is perceived differently by individuals. As noted in previous studies, personal values, cultural backgrounds, and individual experiences can effect how fairness is interpreted, which can be a challenge when applying standardized appraisal systems across diverse workforces. Despite these challenges, the overall approach to performance appraisal in the study reflects an effort to balance fairness and transparency, key components for fostering a productive and engaged workforce (Govender & Bussin, 2020).

The findings from this study support the view that performance appraisals, when conducted fairly and with transparency, can be a powerful tool for improving both individual and organizational performance. By incorporating elements of organizational justice, such as consistency, transparency, and inclusivity, organizations can ensure that their appraisal

systems contribute to a positive work environment, motivating employees to enhance their performance and achieve organizational goals

4.3.4 Descriptive Statistics on Compensation

This section of the study evaluated the compensation practices in deposit-taking SACCOs in Nairobi County. Table 4.7 shows the results.

Table 4.7

Descriptive Statistics on Compensation

Practices on Compensation	SD	D	N	A	SA	Mean	Std. Dev
Salaries in our organization are competitive compared to industry standards.	7 (4.8%)	4 (2.7%)	34 (23.3%)	47 (32.2%)	54 (37.0%)	3.94	1.071
Salary increases in our organization are based on performance and merit.	6 (4.1%)	10 (6.8%)	23 (15.8%)	37 (25.3%)	70 (47.9%)	4.06	1.134
The criteria for receiving bonuses are clear and transparent.	11 (7.5%)	12 (8.2%)	44 (30.1%)	53 (36.3%)	26 (17.8%)	3.49	1.109
Bonuses are a significant motivator for achieving performance targets.	6 (4.1%)	3 (2.1%)	29 (19.9%)	59 (40.4%)	49 (33.6%)	3.97	0.996
Our incentive programs effectively motivate employees to perform better.	0 (0.0%)	0 (0.0%)	35 (24.0%)	52 (35.6%)	52 (35.6%)	3.84	0.976
Incentives in our organization are aligned with individual and organizational goals.	8 (5.5%)	5 (3.4%)	32 (21.9%)	41 (28.1%)	58 (39.7%)	3.90	1.179
The health benefits provided by the organization meet my needs.	7 (4.8%)	9 (6.2%)	37 (25.3%)	37 (25.3%)	39 (26.7%)	3.75	1.069
The organization offers a comprehensive health benefits package.	3 (2.1%)	13 (8.9%)	37 (25.3%)	55 (37.7%)	58 (39.7%)	3.78	1.007

The retirement plans offered by the organization are satisfactory.	6 (4.1%)	7 (4.8%)	26 (17.8%)	58 (39.7%)	58 (39.7%)	3.95	1.119
Information about retirement plans is clear and readily available.	10 (6.8%)	11 (7.5%)	34 (23.3%)	50 (34.2%)	41 (28.1%)	3.69	1.160

The statement regarding salary competitiveness scored a mean of 3.94 (SD = 1.071), with 47.9% of employees (32.3% agreed, 15.6% strongly agreed) indicating that they believe their salaries are competitive compared to industry standards. However, 23.3% were neutral, and 22.2% disagreed or strongly disagreed, suggesting that a portion of employees feels their compensation is not fully aligned with industry benchmarks.

This practice received a mean of 4.06 (SD = 1.134), with 74.7% of respondents (47.9% agreed, 26.8% strongly agreed) agreeing that salary increases in their organization are based on performance and merit. While this indicates positive perceptions of merit-based pay, 13.8% were neutral, and 14.2% disagreed, pointing to a gap in the consistent application or transparency of this practice.

With a mean of 3.49 (SD = 1.109), employees showed mixed feelings about the transparency of the bonus criteria. 43.8% (25.3% agreed, 18.5% strongly agreed) felt the bonus system was clear and fair, but 15.8% disagreed, and 40.5% were neutral. This suggests that while some employees perceive the bonus system as transparent, there is uncertainty or lack of clarity among others regarding how bonuses are awarded.

This statement scored 3.97 (SD = 0.996), indicating that 80.4% of employees (40.4% agreed, 40% strongly agreed) see bonuses as a significant motivator for achieving performance targets. However, 15.8% were neutral, and 2.1% disagreed, suggesting that while bonuses are

widely regarded as motivating, a small percentage of employees may not view them as impactful or directly tied to performance.

With a mean of 4.05 (SD = 1.014), 68.9% (35.6% strongly agreed, 33.3% agreed) felt that incentive programs effectively motivate employees to perform better. However, 24% were neutral, and 7.4% disagreed, reflecting a generally positive view of incentive programs, with some employees feeling that the incentives might not always be aligned with their motivation.

This practice scored 3.97 (SD = 0.993), with 69.4% (49.8% agreed, 19.6% strongly agreed) agreeing that incentives are aligned with organizational goals. Yet, 13.9% disagreed or were neutral, indicating that not all employees see the link between their individual incentives and broader organizational success. The health benefits were perceived positively with a mean of 3.75 (SD = 1.069). 37.7% (25.3% agreed, 12.4% strongly agreed) saw them as meeting their individual needs. However, 19.1% disagreed, and 43.2% were neutral, suggesting a mixed view of the adequacy and applicability of health benefits across employees.

Retirement plans received a mean of 3.69 (SD = 1.160), with 68.8% (39.7% agreed, 29.1% strongly agreed) indicating satisfaction. Despite this, 13.3% disagreed, and 34.2% were neutral, pointing to potential gaps in understanding or accessibility of retirement benefits.

The highest agreed on statement was on salary increases in the organization being based on performance and merit, with a mean of 4.06. This implies that employees are challenged to work hard for promotion. These findings are consistent with Herzberg's Two-Factor Theory where compensation acts as a hygiene factor crucial for preventing dissatisfaction (Holston-Okae & Mushi, 2023).

4.3.4.1 Thematic Analysis of Compensation and Benefits

This section of the study sought insights from the interviewees on how their organizations ensured that the benefits of the employees were to the industry standard. *Respondents 003 and 005* noted that they conducted regular salary surveys and benchmarked their salary packages against industry standards to ensure that they remain competitive and attract top talents in the industry.

Respondents 002 and 003 noted that they usually offer individual and team bonuses to motivate their employees based on pre-determined performance criteria. *The approach helps employees to work harder, challenge themselves, and also be productive at the workplace.* The findings align with previous findings, which suggest that compensation impacts employee performance by motivating employees to strive for better outcomes. Compensation packages that include bonuses and other incentives can enhance employee commitment and drive performance. The study also aligns with the social exchange theory which argues for fair compensation to employees where one side enters into a contract with the other party for mutual gain. One offers the service while the other party should compensate the other party.

The next part of the interview on compensation sought to find out from the interviewees how the organization ensured that highly performing and talented employees were retained in the organization. *Respondent 005 and Respondent 004* noted that they had created comprehensive programs to ensure that highly talented workers receive professional development, are given opportunities for career development, and are mentored to ensure that they grow. Through such approaches, the employees feel valued and thus remain at their jobs. The findings align with the Social Exchange Theory (SET), which emphasizes the importance of reciprocal relationships. When employees perceive that their efforts are being adequately recognized and

rewarded, they are more likely to remain committed to the organization. As SET suggests, employees seek to maximize benefits and minimize costs, and by offering career growth and recognition, organizations encourage employees to reciprocate with loyalty and dedication.

Additionally, Respondents 001 and 003 noted that highly competitive and talented staff receive health insurance coverage, flexible working arrangements, and hefty retirement packages that keep them well-satisfied and focused on the job. Comprehensive benefits that address both financial and non-financial needs demonstrate an organization's investment in its employees' well-being, fostering a more engaged and productive workforce.

The findings from this study are consistent with previous research which argued that compensation positively effects employee performance and motivation (Aboramadan et al., 2020). By offering competitive compensation packages, clear opportunities for career development, and comprehensive benefits, organizations can effectively retain high-performing employees. Moreover, aligning HR practices with the principles of the Social Exchange Theory such as fair compensation, recognition, and reciprocal relationships can foster a culture of trust and engagement, leading to improved employee performance and organizational outcomes.

4.3.5 Descriptive Statistics on Employee Performance

The study carried out descriptive statistics on employee performance in DT-SACCOs in Nairobi County. Results are shown in table 4.8.

Table 4.8*Descriptive Statistics on Employee Performance*

Statement on Employee Performance	SD	D	N	A	SA	Mean	Std. Deviation
The organization effectively retains its high-performing employees.	3 (2.1%)	6 (4.1%)	35 (24.0%)	71 (48.6%)	31 (21.2%)	3.83	0.882
The turnover rate in our organization is low.	5 (3.4%)	9 (6.2%)	34 (23.3%)	57 (39.0%)	41 (28.1%)	3.82	1.022
Employees consistently provide high-quality service to customers.	5 (3.4%)	9 (6.2%)	44 (30.1%)	50 (34.2%)	38 (26.0%)	3.73	1.026
Customers are generally satisfied with the service they receive from employees.	4 (2.7%)	1 (0.7%)	42 (28.8%)	63 (43.2%)	35 (24.0%)	3.84	0.900
Employees efficiently complete their assigned tasks and transactions.	0 (0%)	9 (6.2%)	45 (30.8%)	51 (34.9%)	41 (28.1%)	3.85	0.905
The number of transactions completed by employees meets organizational expectations.	4 (2.7%)	9 (6.2%)	35 (24.0%)	63 (43.2%)	35 (24.0%)	3.79	0.968
Employees possess the necessary skills and knowledge to perform their jobs effectively.	4 (2.7%)	5 (3.4%)	41 (28.1%)	62 (42.5%)	34 (23.3%)	3.80	0.929
Employees demonstrate high levels of competency in their roles.	3 (2.1%)	6 (4.1%)	51 (34.9%)	46 (31.5%)	40 (27.4%)	3.78	0.965

The statement regarding retention of high-performing employees scored a mean of 3.83 (SD = 0.882). 69.8% of respondents (48.6% agreed, 21.2% strongly agreed) felt that the organization is successful in retaining top talent. However, 6.2% disagreed and 2.1% strongly disagreed, indicating some concerns about retention strategies.

The perception of a low turnover rate had a mean of 3.82 (SD = 1.022). 67.1% (39% agreed, 28.1% strongly agreed) believed that turnover is low in the organization. Nevertheless, 9.6% disagreed, and 3.4% strongly disagreed, pointing to a few concerns about employee retention within certain departments or teams.

This statement received a mean of 3.73 (SD = 1.026). The majority of respondents (60.2%, 34.2% agreed, 26.0% strongly agreed) felt that the organization consistently provides high-quality service. However, 9.6% disagreed, and 6.2% strongly disagreed, suggesting potential inconsistencies in service delivery that could affect customer satisfaction.

Employees overwhelmingly agreed (67.2%) that customers are generally satisfied with the service they receive, reflected in the mean score of 3.84 (SD = 0.900). A small portion (3.4%) disagreed, indicating that while satisfaction is high, there are occasional service delivery gaps.

With a mean of 3.85 (SD = 0.905), this statement suggests that 69.6% of employees agree that they efficiently complete their tasks. This highlights a strong performance culture. 6.2% disagreed, pointing to minor inefficiencies or challenges in task completion.

Scoring 3.79 (SD = 0.968), 67.2% of employees believe that their performance meets organizational expectations. This is further supported by the 43.2% who agreed, but 6.2% disagreed, indicating that a small fraction may not feel their work aligns with organizational goals.

The statement regarding the possession of necessary skills and knowledge received a mean of 3.80 (SD = 0.929). 65.8% (42.5% agreed, 23.3% strongly agreed) feel confident in their skills, though 6.1% disagree, pointing to possible skill gaps in certain areas. The mean score of 3.78 (SD = 0.965) for this statement indicates that 63.5% of employees believe they demonstrate high levels of competency in their roles. However, 6.2% disagreed, suggesting that certain roles may face challenges in demonstrating full competency.

The highest agreed on statement was on Employees efficiently completing their assigned tasks and transactions, with a mean of 3.85. This implies that employees handle manageable tasks and transactions.

These findings align with the literature, emphasizing that high employee performance is critical for achieving service quality and operational success in SACCOs (Kumari & Vasantha, 2021). Furthermore, they support the assertions made under human capital theory which emphasizes that employee skills, knowledge, and retention are vital drivers of organizational competitiveness and sustainability (Marginson, 2020).

4.4 Diagnostic Tests

Before conducting inferential analysis, the study conducted diagnostic tests to determine whether the assumptions of the multi-linear regression model had been violated. The tests conducted included multi-collinearity tests, auto-correlation tests, tests for homoscedasticity, normality tests, and validity tests.

4.4.1 Multi-collinearity

Multi-collinearity was tested using tolerance and Variance Inflation Factor (VIF) values to ensure that the independent variables were not highly correlated. A tolerance value below 0.1 and a VIF value above 10 typically indicate serious multi-collinearity concerns.

Table 4.9*Multicollinearity*

	Tolerance	VIF
Work-Life Balance	0.368	2.72
Training	0.556	1.798
Performance Appraisal	0.335	2.984
Compensation	0.817	1.224

In this study, all tolerance values were above 0.3 and all VIF values were below 3.0, specifically ranging from 1.224 to 2.984. These results indicate that multi-collinearity was not a major issue among the variables. Thus, work-life balance, training, performance appraisal, and compensation were sufficiently independent to be included together in the regression analysis without inflating standard errors or distorting the significance of the results.

4.4.2 Autocorrelation

The Durbin-Watson statistic was used to test for autocorrelation in the residuals of the regression model. A Durbin-Watson value close to 2.0 suggests that there is no autocorrelation, while values significantly below 2.0 or above 2.0 indicate positive or negative autocorrelation, respectively.

Table 4.10*Autocorrelation*

Model	Durbin-Watson
1	2.124

a. Predictors: (Constant), Compensation, Work-Life Balance, Training, Performance Appraisal

b. Dependent Variable: Employee Performance

The Durbin-Watson value was 2.124, which is very close to 2. This indicates that there was no significant autocorrelation in the residuals. Therefore, the independence assumption of the regression analysis was met, supporting the validity of the regression results for analyzing the relationship between human resource practices and employee performance.

4.4.3 Homoscedasticity

The Breusch-Pagan test was employed to assess homoscedasticity, which refers to the uniform distribution of residuals across all levels of the independent variables.

Table 4.11

Breusch-Pagan Test for Heteroskedasticity

Chi-Square	df	Sig.
2.821	1	.120

a. Dependent variable: Employee Performance

The Breusch-Pagan test produced a chi-square value of 2.821 with a significance level of 0.120. Since the p-value is greater than 0.05, the null hypothesis of homoscedasticity is not rejected. This indicates that the variance of residuals is constant, and there is no evidence of heteroscedasticity.

4.4.4 Normality Tests

The normality of the data was assessed using the Kolmogorov-Smirnov test. For both tests, a significance value greater than 0.05 indicates that the data are normally distributed.

Table 4.12*Tests of Normality*

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Work-Life Balance	.064	146	.200*	.066	146	.101
Training	.090	146	.106	.063	146	.100
Performance Appraisal	.053	146	.061	.079	146	.080
Compensation	.040	146	.060	.041	146	.079
Employee Performance	.074	146	.067	.048	146	.081

*This is a lower bound of the true significance.

a. Lilliefors Significance Correction

The Kolmogorov-Smirnov test results showed p-values above 0.05 for all variables, including work-life balance (0.200), training (0.106), performance appraisal (0.061), and compensation (0.06), and employee performance (0.067). Similarly, the Shapiro-Wilk test produced p-values greater than 0.05 for all variables. These results confirm that the assumption of normality was met, validating the use of parametric statistical tests in analyzing the study's data.

4.5 Inferential statistics

The study utilized correlation analysis and regression analysis to test the hypotheses and investigate the relationship between the independent variables and the dependent variable.

4.5.1 Correlation Analysis

The study conducted a Pearson correlation analysis to examine the relationships between human resource practices (work-life balance, training, performance appraisal, and compensation) and employee performance in deposit-taking SACCOs in Nairobi County.

Table 4.13*Correlations Matrix*

		Work- Life Balance	Trainin g	Performan ce Appraisal	Compensatio n	Employee Performan ce
Work-Life Balance	Pearson Correlatio n Sig. (2- tailed) N	1 146				
Training	Pearson Correlatio n Sig. (2- tailed) N	.595** .000 146	1			
Performance Appraisal	Pearson Correlatio n Sig. (2- tailed) N	.785** .000 146	.632** .000 146	1		
Compensatio n	Pearson Correlatio n Sig. (2- tailed) N	.341** .000 146	.381** .000 146	.391** .000 146	1	
Employee Performance	Pearson Correlatio n Sig. (2- tailed) N	.742** .000 146	.705** .000 146	.784** .000 146	.481** .000 146	1 146
**. Correlation is significant at the 0.01 level (2-tailed).						

Work-life balance was strongly correlated with employee performance ($r = 0.742$, $p = 0.000$).

This positive and strong relationship indicates that improvements in work-life balance

practices such as flexible work schedules, wellness programs, and manageable workloads significantly enhance employee performance. This finding is consistent with the literature reviewed and supported by Herzberg's Two-Factor Theory, which emphasizes the role of hygiene factors like work-life balance in fostering employee satisfaction and performance (Soelistya, 2024).

Training also showed a strong and significant positive correlation with employee performance ($r = 0.705$, $p = 0.000$). This result suggests that professional development, skill-building initiatives, and continuous learning opportunities significantly improve employee competencies and job outputs. This corroborates human capital theory which highlights investment in employee skills as key to organizational success (Marginson, 2020).

Performance appraisal recorded the strongest correlation with employee performance among all variables ($r = 0.784$, $p = 0.000$). This finding demonstrates that fair, transparent, and regular evaluation practices play a crucial role in motivating employees and aligning their efforts with organizational goals. This is aligned with organizational justice theory, which posits that perceptions of fairness in evaluation processes enhance organizational commitment and performance (Wolfe & Lawson, 2020).

Compensation had a moderate but statistically significant positive correlation with employee performance ($r = 0.481$, $p = 0.000$). Although not as strong as the other variables, this finding indicates that competitive salaries, bonuses, and incentives still play an important role in motivating and retaining employees. It reflects previous findings which emphasized on hygiene factors discussed under Herzberg's Theory (Ramish, 2023). Overall, the strong positive correlations affirm that effective human resource practices directly affect employee performance in SACCOs.

4.5.2 Bivariate Regression Analysis

4.5.2.1 Work-Life Balance

This analysis investigates how work-life balance, as an independent variable, effects employee performance, which is the dependent variable. The R-squared value of 0.550 suggests that work-life balance explains 55% of the variance in employee performance. The F-statistic of 175.908, with a p-value of 0.000, shows that the model is statistically significant. This means that work-life balance has a meaningful impact on employee performance. The unstandardized coefficient for work-life balance is 0.780. The t-value of 13.263, with a p-value of 0.000, further confirms that work-life balance is a highly significant predictor of employee performance. The study thus found:

Table 4.14

Bivariate Regression Analysis on Work-Life Balance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.742 ^a	.550	.547	.553838		
a. Predictors: (Constant), Work Life Balance						
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53.957	1	53.957	175.908	.000 ^b
	Residual	44.170	144	.307		
	Total	98.128	145			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.833	.229		3.641	.000
	Work Life Balance	.780	.059	.742	13.263	.000

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Work Life Balance

H₁: Work-life balance positively effects on employee performance.

The regression model thus became:

$$Y = \beta_0 + \beta_1 X_1$$

(Where X_1 = Work-Life Balance)

The findings align with a previous study which emphasized the importance of flexible working arrangements and wellness programs in enhancing employee performance. This study further supports Herzberg's Two-Factor Theory, which identifies work-life balance as a crucial factor in improving job satisfaction and performance (Hack-Polay et al., 2020).

4.5.2.2 Training

The results of a bivariate regression analysis examining the relationship between training and employee performance in deposit-taking SACCOs are presented. The R-squared value of 0.497 suggests that 49.7% of the variance in employee performance can be explained by training, which is a substantial proportion. The F-statistic of 142.367, with a p-value of 0.000, indicates that the model is statistically significant. This means that training significantly affects performance outcomes. The t-value of 11.932, with a p-value of 0.000, shows that training is a highly significant predictor of employee performance. The analysis demonstrates that training has a significant and positive impact on employee performance in SACCOs. The study thus found:

Table 4.15*Bivariate Regression Analysis on Training*

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.705 ^a	.497	.494	.585375		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	48.784	1	48.784	142.367	.000 ^b
	Residual	49.344	144	.343		
	Total	98.128	145			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.251	.220		5.700	.000
	Training	.698	.058	.705	11.932	.000
a. Dependent Variable: Employee Performance						
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Training						

H₂: Training positively effects employee performance.

The regression model thus can be written as follows:

$$Y = \beta_0 + \beta_1 X_2$$

(Where X_2 = Training)

This is consistent with previous study that found that effective training programs significantly enhance employees' job-related competencies, leading to improved performance (Sendawula et al., 2022). This is further supported by scholar who argue that skill-building initiatives lead to higher motivation and performance (Shahzadi et al., 2020).

4.5.2.3 Performance Appraisal

The table presents the results of a bivariate regression analysis investigating the relationship between performance appraisal and employee performance in deposit-taking SACCOs. The R-squared value of 0.615 shows that 61.5% of the variance in employee performance is explained by performance appraisal, which is a relatively high proportion. The F-statistic of 230.225, with a p-value of 0.000, indicates that the model is statistically significant. This suggests that the relationship between performance appraisal and employee performance is significant. The coefficient for performance appraisal is 0.811. The t-value of 15.173, with a p-value of 0.000, further confirms that performance appraisal is a highly significant predictor of employee performance. The findings suggest that performance appraisal is a significant and positive factor in enhancing employee performance in SACCOs. The study found that.

Table 4.16

Bivariate Regression Analysis on Performance Appraisal

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.784 ^a	.615	.613	.512070		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	60.369	1	60.369	230.225	.000 ^b
	Residual	37.759	144	.262		
	Total	98.128	145			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.567	.218		2.608	.010
	Performance Appraisal	.811	.053	.784	15.173	.000

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Performance Appraisal

H₃: Performance appraisal positively effects employee performance.

The model can thus be written as follows:

$$Y = \beta_0 + \beta_1 X_3$$

(Where X_3 = Performance Appraisal)

The findings align with past study which emphasizes that regular and fair performance appraisals enhance employee alignment with organizational goals. Another study also support this, stating that performance appraisals boost both individual and organizational performance by clarifying expectations and providing feedback.

4.5.2.4 Compensation

The table presents the results of a bivariate regression analysis examining the relationship between compensation and employee performance in deposit-taking SACCOs. The R value of 0.481 indicates a moderate positive correlation between compensation and employee performance. The R-squared value of 0.231 suggests that 23.1% of the variance in employee performance is explained by compensation. The F-statistic of 43.328, with a p-value of 0.000, shows that the model is statistically significant. This indicates that compensation has a meaningful relationship with employee performance. The unstandardized coefficient for compensation is 0.475. The t-value of 6.582, with a p-value of 0.000, indicates that compensation is a statistically significant predictor of employee performance. The findings suggest that compensation significantly effects employee performance in SACCOs, with higher compensation leading to improved performance outcomes.

Table 4.17*Bivariate Regression Analysis on Compensation*

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.481 ^a	.231	.226	.723758		
ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.697	1	22.697	43.328	.000 ^b
	Residual	75.431	144	.524		
	Total	98.128	145			
Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.985	.283		7.014	.000
	Compensation	.475	.072	.481	6.582	.000

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation

The study thus found:

H₄: Compensation positively effects employee performance

The regression model can therefore be written as follows

$$Y = \beta_0 + \beta_1 X_4$$

(Where X_4 = Compensation)

This result corroborates with previous study which found that competitive compensation packages enhance employee motivation (Ramish, 2023). However, the moderate correlation suggests that while salary and benefits are important, other factors like work-life balance and training may have stronger effects on employee performance.

4.5.3 Multiple Regression Analysis

The study conducted a multiple regression analysis to examine the joint and individual effects of work-life balance, training, performance appraisal, and compensation on employee performance in deposit-taking SACCOs in Nairobi County.

Table 4.18

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.854 ^a	.730	.722	.4335

a. Predictors: (Constant), Compensation, Work-Life Balance, Training, Performance Appraisal

From the Model Summary, the R-Square value was 0.730, meaning that 73.0% of the variance in employee performance could be explained by the four independent variables combined. The difference of 27% could be explained by variables that are not included in the model.

Table 4.19

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	71.626	4	17.906	95.269	.000 ^b
	Residual	26.502	141	.188		
	Total	98.128	145			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation, Work-Life Balance, Training, Performance Appraisal

The ANOVA results showed that the model was statistically significant ($F = 95.269$, $p < 0.001$), suggesting that the independent variables reliably predicted employee performance.

This means that work-life balance, training, performance appraisal, and compensation significantly contribute to explaining variations in employee performance.

Table 4.20

Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.229	.219		-1.048	.296
Work-Life Balance	.256	.076	.243	3.371	.001
Training	.271	.058	.274	4.672	.000
Performance Appraisal	.373	.078	.361	4.770	.000
Compensation	.151	.048	.152	3.149	.002

a. Dependent Variable: Employee Performance

All independent variables had a positive and statistically significant effect on employee performance.

The outcome of the model for multi-linear regression can therefore be written as follows:

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

Work-Life Balance: The coefficient of B = 0.256 (p = 0.001) suggests that a unit improvement in work-life balance would lead to an increase in employee performance by 0.256 units, holding other factors constant. This finding aligns with the work of past scholar who argue that a balanced work-life arrangement contributes to better job satisfaction, which in turn enhances employee performance. Their research highlights that organizations offering flexible working hours and remote work options see higher productivity levels and lower turnover rates (Soelistya, 2024).

Training: The positive effect of training is reflected in a coefficient of $B = 0.271$ ($p = 0.000$). This suggests that improved training programs significantly boost employee performance. This finding resonates with a study which found that well-designed training programs improve employees' skills and enhance their ability to perform tasks efficiently (Agunda et al., 2024).

Performance Appraisal: Performance appraisal exhibited the highest positive effect with a coefficient of $B = 0.373$ ($p = 0.000$), indicating that fair and effective performance evaluations strongly effect employee output. This supports the work of past study found that regular and constructive performance appraisals help employees understand expectations, identify areas for improvement, and align their personal goals with organizational objectives (Chahar, 2020).

Compensation Practices: Compensation also showed a positive and significant effect, with a coefficient of $B = 0.151$ ($p = 0.002$), meaning that improvements in salary and incentives moderately enhance employee performance. This finding is consistent with Herzberg's motivation-hygiene theory which posits that monetary incentives act as motivators and contribute to job satisfaction, leading to improved performance. Other scholars found that adequate compensation is crucial for employee motivation, which in turn affects their performance at work.

The summary of the findings are as follows.

Table 4.21*Summary of the Hypotheses*

Hypothesis	Critical Value	Test Statistic (B)	p-value	Decision
H₁: Work-life balance positively effects employee performance.	t = 1.96 (at 0.05 significance level)	B = 0.256	p = 0.001	Reject H ₁
H₂: Training positively effects employee performance.	t = 1.96 (at 0.05 significance level)	B = 0.271	p = 0.000	Reject H ₂
H₃: Performance appraisal positively effects employee performance.	t = 1.96 (at 0.05 significance level)	B = 0.373	p = 0.000	Reject H
H₄: Compensation positively effects employee performance.	t = 1.96 (at 0.05 significance level)	B = 0.151	p = 0.002	Reject H ₄ :

CHAPTER FIVE: SUMMARY OF FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Introduction

This chapter provides a concise summary of the key findings, the conclusions drawn from the study findings, and the study's recommendations which include policy and suggestions for further research.

5.2 Summary of the Findings

5.2.1 Work-Life Balance and Employee Performance in Deposit-Taking SACCOs

The study found that the respondents agreed that DT-SACCOs in Nairobi county conducted work-life balance including, flexible working hours' work, paid leaves and remote schedules, wellness programs, and workload management. A mean score of between 3.86 and 3.75 was generated showing that the participants agreed. Remote work schedules had a mean of 3.73 (SD = 0.927), showing moderate acceptance. Flexible working hours were slightly better rated at 3.86 (SD = 0.987). Parental leaves scored 3.75 (SD = 1.021), and sick leave policies received 3.82 (SD = 1.008), indicating a satisfactory provision of health-related benefits. The average response for stress and mental health counseling stood at 3.88 (SD = 0.878). A significant number of respondents acknowledged the importance of work-life balance, though a minority expressed neutrality or disagreement, highlighting potential areas for improvement. It was also found that the organizations offered sick leave, and mental health counseling while creating clear working boundaries. The results also found a beta coefficient of $\beta = 0.256$ and a p-value of 0.001, between work-life balance and the performance of employees.

5.2.2 Training and Employee Performance in Deposit-Taking SACCOs

The results also found that participants agreed with the practices on training within DT-SACCOs in Nairobi County. The study's assessment of training practices in SACCOs revealed that onboarding processes were viewed as somewhat effective, with a mean of 3.59 (SD = 1.055). Onboarding information was also perceived as somewhat useful, with a mean of 3.55 (SD = 1.139). Professional development programs were rated at 3.58 (SD = 1.056), while continuous professional development had a higher mean of 3.80 (SD = 1.015), indicating strong organizational support for employee growth. Leadership training received a mean of 3.69 (SD = 0.987), suggesting that while leadership training is recognized, improvements in content relevance may be necessary. Participants went through onboarding to familiarize themselves with policies rules and regulations of the company as well as knowing other employees in the company. The study also found that top-level employees underwent professional development training from reputable management institutions to learn about corporate governance and leadership. Results showed that employees learned new skills through both on-the-job and on-the-job training. Lastly, employees attended seminars and workshops to train on new skills and develop competencies. Finally, results showed a beta coefficient of 0.271 and a p-value of 0.001 between training and employee performance.

5.2.3 Performance Appraisal and Employee Performance in Deposit-Taking SACCOs

The study also established that among the common performance appraisal methods that were carried out by the SACCOs involved grading the employees through predetermined grading score metrics, additionally, the study revealed that employees were appraised on the ability to attain regular targets, rating where employees were ranked with others as well as 360-degree feedback where employees were appraised by different stakeholders including customers they

serve, their juniors and bosses to have a comprehensive appraisal approach. The performance appraisal system received a generally positive response, with the statement on fair grading based on actual job performance scoring 4.05 (SD = 0.931). A high percentage of respondents agreed that their performance grades were reflective of their contributions (mean of 4.07, SD = 0.922). However, 15.8% of respondents remained neutral, indicating some dissatisfaction or indifference. Clear and achievable performance targets had a mean of 4.05 (SD = 0.974), with the majority agreeing that targets were realistic. The role of customer feedback in appraisals scored 3.90 (SD = 0.915), indicating a positive view of its effectiveness. Finally, the results presented yielded a beta coefficient of 0.373 and a p-value of $0.000 < 0.05$, between performance appraisal and employee performance. Performance appraisal is the strongest variable, compared to other variables, impacting employee performance in Deposit-Taking SACCOs.

5.2.4 Compensation and Employee Performance in Deposit-Taking SACCOs

The study also established that DT-SACCOs in Nairobi County conducted compensation practices that entailed the use of bonuses as an extra package on the main salary to motivate the employees. Compensation practices were viewed favorably in the study, with salaries considered competitive compared to industry standards (mean = 3.94, SD = 1.071). Performance-based salary increases had a mean of 4.06 (SD = 1.134), indicating that compensation is seen as meritocratic. However, the clarity of bonus criteria scored lower at 3.49 (SD = 1.109), suggesting room for improvement in transparency. Bonuses and incentives were generally considered motivating (means of 3.97 and 3.84, respectively), but some respondents were neutral about the health benefits provided, with a mean of 3.75 (SD = 1.069). Results also showed that incentives, health benefits, and retirement plans were used to a great

extent as compensation packages meant to motivate employees to perform better and remain at work. Results also showed a beta coefficient of 0.51 and a p-value of 0.002 between compensation and employee performance.

5.3 Conclusions of the Study

5.3.1 Work-Life Balance and Employee Performance in Deposit-Taking SACCOs

The study concluded that work-life balance had a positive and significant effect on employee performance in deposit-taking SACCOs in Nairobi County, thereby rejecting the null hypothesis that work-life balance does not significantly affect employee performance. This finding suggests that implementing effective work-life balance practices contributes meaningfully to improving workplace conditions and employee outcomes. The conclusions support the motivation-hygiene theory which supports a conducive work environment, and flexible working arrangements for staff such as remote working, leave benefits, sick leave, and maternal and paternity leave.

5.3.2 Training and Employee Performance in Deposit-Taking SACCOs

The study concluded that training had a positive and significant effect on employee performance in deposit-taking SACCOs in Nairobi County, thereby rejecting the null hypothesis claim that training does not significantly affect employee performance. Therefore implementing training programs significantly leads to better performance outcomes. The conclusions are in support of past scholars' argument that employee training enhances knowledge, skills, and attitudes (KSAs), leading to improved creativity, problem-solving, and service delivery. These findings emphasize the strategic importance of training as a key human resource practice that contributes to improved employee productivity and overall institutional effectiveness, especially in highly competitive and service-oriented sectors like SACCOs

(Naji & Isha, 2020). The conclusions also support the human capital theory which advocates for the development of critical competencies that support business functions. Human capital which comprises skills, is crucial in the running and management of enterprises that seek better outcomes. Investment in education, training, and development, improves individual employee performance.

5.3.3 Performance Appraisal and Employee Performance in Deposit-Taking SACCOs

The study concluded that performance appraisal had a positive and significant effect on employee performance in deposit-taking SACCOs in Nairobi County, thereby rejecting the null hypothesis claim that performance appraisal does not significantly affect employee performance. This finding suggests that implementing well-structured appraisal systems significantly improves employee performance. The conclusions are consistent with previous conclusions that they reported a strong correlation between appraisal practices and employee performance in the IT sector (Rodgers, 2020). Besides, a scholar found that engagement and effective communication during appraisal processes play a critical role in enhancing performance (Govender & Bussin, 2020). The conclusions also support organizational justice theory which postulates that perception of fairness in the workplace such as fair remuneration benefits and immediate feedback from appraisal enhance the employees' performance. The theory advocates for the administration of fairness while evaluating the performance of staff. Organizations therefore must design appraisal opportunities that enhance career progression and effective communication of employees' results.

5.3.4 Compensation and Employee Performance in Deposit-Taking SACCOs

The study concluded that compensation had a positive and statistically significant effect on employee performance in deposit-taking SACCOs in Nairobi County, thereby rejecting the null hypothesis that compensation does not significantly affect employee performance. The conclusions imply that effective compensation practices significantly increase employee performance. The conclusions found that appropriate compensation encourages motivation and increases employee productivity. The conclusions support the social exchange theory which champions fair remunerations to those who offer services to enhance their motivation and commitment within organization perspectives. Equitable and transparent compensation signals an appreciation for employees offering their services. The reciprocating approach to employees receiving their benefits after working reduces turnover and enhances the job satisfaction and commitment of workers. According to the theory, organizations are challenged to prioritize compensation packages that are not only competitive but also perceived to be fair in motivating their employees to inculcate a culture of reciprocity.

5.4 Recommendations

In this section, both policy and academic suggestions are given. The policy recommendations provide practices that managers should adopt to enhance the employees' performance and academic suggestions provide avenues for future studies.

5.4.1 Policy Recommendations

5.4.1.1 Work-Life Balance and Employee Performance

The study recommends that DT-SACCO management provide flexible working hours and remote working options for their employees, give them paid leaves including paternity and

maternity leave, to offer them wellness programs including paying for gyms and walks to refresh. The study also recommends appropriate work design to ensure that employees are not overloaded with tasks so that it improves their performance.

5.4.1.2 Training and Employee Performance in Deposit-Taking SACCOs

The study recommends onboarding services to newly recruited staff so that they can familiarize themselves with the workplace, and get to know colleagues as well as the policies and regulations of the organization. The onboarding should also important key skill as employees' kick-start their new roles. There should also be professional development programs for the key employees to enable them to attain strategic skills in leadership and governance. The professional skills also should be tailored to prepare employees to take over new emerging job opportunities and arising vacancies from old staff that are exiting. Organizations should also organize seminars and workshops as training avenues where employees can be trained on new skill sets.

5.4.1.3 Performance Appraisal and Employee Performance in Deposit-Taking SACCOs

The study also recommends for use of appraisal practices to enhance employee performance. Employees should be appraised through grading, ranking staff with colleagues in the same job category, use of 360-degree feedback as well as using regular targets. Appraisals should be focused on immediate feedback and enhancing compensation by rewarding employees with better packages or new appointments as a reward-oriented approach. Employees should receive their feedback through consistent communication to ensure they get to know how they were assessed. Finally, appraisal process should be fair to all and embrace transparency to help boost employees' morale.

5.4.1.4 Compensation and Employee Performance in Deposit-Taking SACCOs

The study recommends fair compensation to all employees in DT-SACCOs to bolster employees' performance. The compensation packages should include fair salaries that are benchmarked with the industrial benefits and issuance of bonuses. Employees should also be given health benefits such as insurance coverage on health and retirement packages so that they can take care of themselves during lodge days after serving the organizations.

5.4.2 Suggestions for Further Research

This study's findings suggested that the four independent variables (training, compensation, performance appraisal, and compensation) could explain 73.0% of the changes in the employees' performance. Therefore, it's important to carry out a study where more variables (independent, moderating, or intervening variables) are added in a future model to enhance the explanatory power of the model.

A future study should take into account conceptual, contextual, and geographical considerations. For instance, a future study should be conducted outside, say in Mombasa County or another major city in Kenya to fill geographical gaps. Additionally, other studies should consider different dependent variables such as organizational performance to fill conceptual gaps. Finally, future studies should fill contextual gaps by examining other organizations such as banks or other financial entities outside the financial industries. The different findings should be conducted for purposes of generalizing findings and coming up with common knowledge areas.

5.5 Contribution of Study to Existing Literature

The study fills this gap in the literature because it gives a limited analysis that focuses on the role of human resource practices on employee performance within deposit-taking SACCOs in

the Nairobi County, a scenario that has been under-studied in the past studies. Although the relationship between HR practices and the organizational performance has been studied in other sectors in the past, the study herein closes the literature gap to investigate the SACCO industry in Kenya, which is a very important industry in terms of financial inclusion and economic growth.

Also, the study contributes to knowledge of the direct effect of key HR practices, including work-life balance, training, performance appraisal, compensation, and work-life balance on the performance of employees that provides new information on the effectiveness of practices in a developing economy. The study incorporates both qualitative and quantitative approaches reflecting a detailed picture of the HR practices in SACCOs and hence offer empirical data that can provide information to policy and practice on how to improve employee performance and organizational performance under such settings.

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APPENDICES

Appendix I: Introduction letter for Questionnaire

Dear Respondent,

RE: RESEARH QUESTIONNAIRE.

I am a postgraduate student at Kenya Methodist University, currently pursuing a Master's degree in Business Administration (MBA) with a specialization in Human Resource Management. As part of the academic requirements for my program, I am conducting a research study titled, "*Effect of Human Resource Practices on Employee Performance in Deposit Taking SACCOS in Nairobi County*". This study is an essential component of my academic degree, and I kindly seek your participation in completing a questionnaire that will be provided to you. Please be assured that all the information you share will be used strictly for academic purposes and will be handled with the highest level of confidentiality.

Your cooperation is highly valued, and I sincerely appreciate your time and effort in completing the questionnaire promptly.

Yours sincerely,

Fardhowsa M. Dalacha

.....

Appendix II: Questionnaire for Human Resource Officers

Instruction: Please tick where appropriate

Section A: Demographic Information

1. Indicate your Gender

Male () Female ()

2. For how long have you been working in this hospital?

3 years and below ()

4 to 9 years ()

10 to 12 years ()

Above 12 years ()

3. What is the level of your education?

Certificate ()

Diploma ()

Bachelor's Degree ()

Master's Degree ()

Postgraduate ()

Section B: Work-Life Balance

Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on **Work-Life Balance**. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	SD	D	N	A	SA
Our organization encourages remote work schedules.					
Our organization encourages flexible working hours.					
Our organization gives its employees parental leaves-maternity and paternity leaves.					
Our organization gives sick leave days.					
Our organization offers a stress and mental counseling package.					
Our organization has health and insurance schemes for its staff.					
Our organization ensures that employees do not have excessive workloads.					
Our organization has clear boundaries between personal and work life.					

Section C: Training

Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on the **Training**. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	SD	D	N	A	S A
Our onboarding process effectively integrates new employees into the organization.					
Information provided during onboarding is comprehensive and useful.					
Our professional development programs help employees enhance their skills.					
Our organization supports continuous professional development opportunities.					
Leadership training programs in our organization effectively prepare employees for leadership roles.					
The content of leadership training in our organization is relevant and practical.					
Our skill-building sessions are tailored to meet job requirements.					
Employees in our organization have adequate opportunities to participate in skill-building activities.					
Workshops in our organization provide valuable knowledge and skills applicable to the job.					
The frequency of workshops in our organization is sufficient to meet employee needs.					

Section D: Performance Appraisal

Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on **Performance Appraisal**. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5 strongly agree.

Statement	SD	D	N	A	S A
The performance appraisal system fairly grades employees based on their actual job performance.					
My performance grade accurately reflects my contributions to the SACCO.					
I am regularly evaluated based on the achievement of clearly defined performance targets.					
The performance targets set for me are realistic and achievable within the given time frame.					

Customer feedback ratings are effectively used to assess and improve employee performance.					
The ratings I receive from customers accurately reflect the quality of service I provide.					
Customers evaluate us on the services we offer them.					
Am assessed on how I cope with other team members					

Section E: Compensation

Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on **Compensation**. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	SD	D	N	A	SA
Salaries in our organization are competitive compared to industry standards.					
Salary increases in our organization are based on performance and merit.					
The criteria for receiving bonuses are clear and transparent.					
Bonuses are a significant motivator for achieving performance targets.					
Our incentive programs effectively motivate employees to perform better.					
Incentives in our organization are aligned with individual and organizational goals.					
The health benefits provided by the organization meet my needs.					
The organization offers a comprehensive health benefits package.					
The retirement plans offered by the organization are satisfactory.					
Information about retirement plans is clear and readily available.					

Section F: Employee Performance of Deposit-Taking SACCOs in Nairobi County

Using a scale of 1 to 5, Please indicate the extent to which you agree with the following statements on Employee Performance. With a five-point Likert scale whereby: 1 =strongly disagree, 2=disagree, 3=neutral, 4= agree, and 5=strongly agree.

Statement	SD	D	N	A	S A
The organization effectively retains its high-performing employees.					
The turnover rate in our organization is low.					
Employees consistently provide high-quality service to customers.					
Customers are generally satisfied with the service they receive from employees.					
Employees efficiently complete their assigned tasks and transactions.					
The number of transactions completed by employees meets organizational expectations.					
Employees possess the necessary skills and knowledge to perform their jobs effectively.					
Employees demonstrate high levels of competency in their roles.					

Appendix III: Interview Schedule for Human Resource Managers

Work-Life Balance

Does your organization have a work-life balance for your employees? If so how does it is handled within your organization?

.....
.....

Training

What types of training does your organization have for its employees?

.....
.....

What professional development and leadership training opportunities are available for top managers?

.....
.....

Performance Appraisal

How does your organization ensure that performance appraisals are fair and accurately reflect employee contributions?

.....
.....

Are customers allowed to evaluate or give feedback to the employees and how well does it help in appraisal?

.....

.....

Compensation & Benefits

How does your organization ensure that the benefits of the employees are to the industry standard?

.....

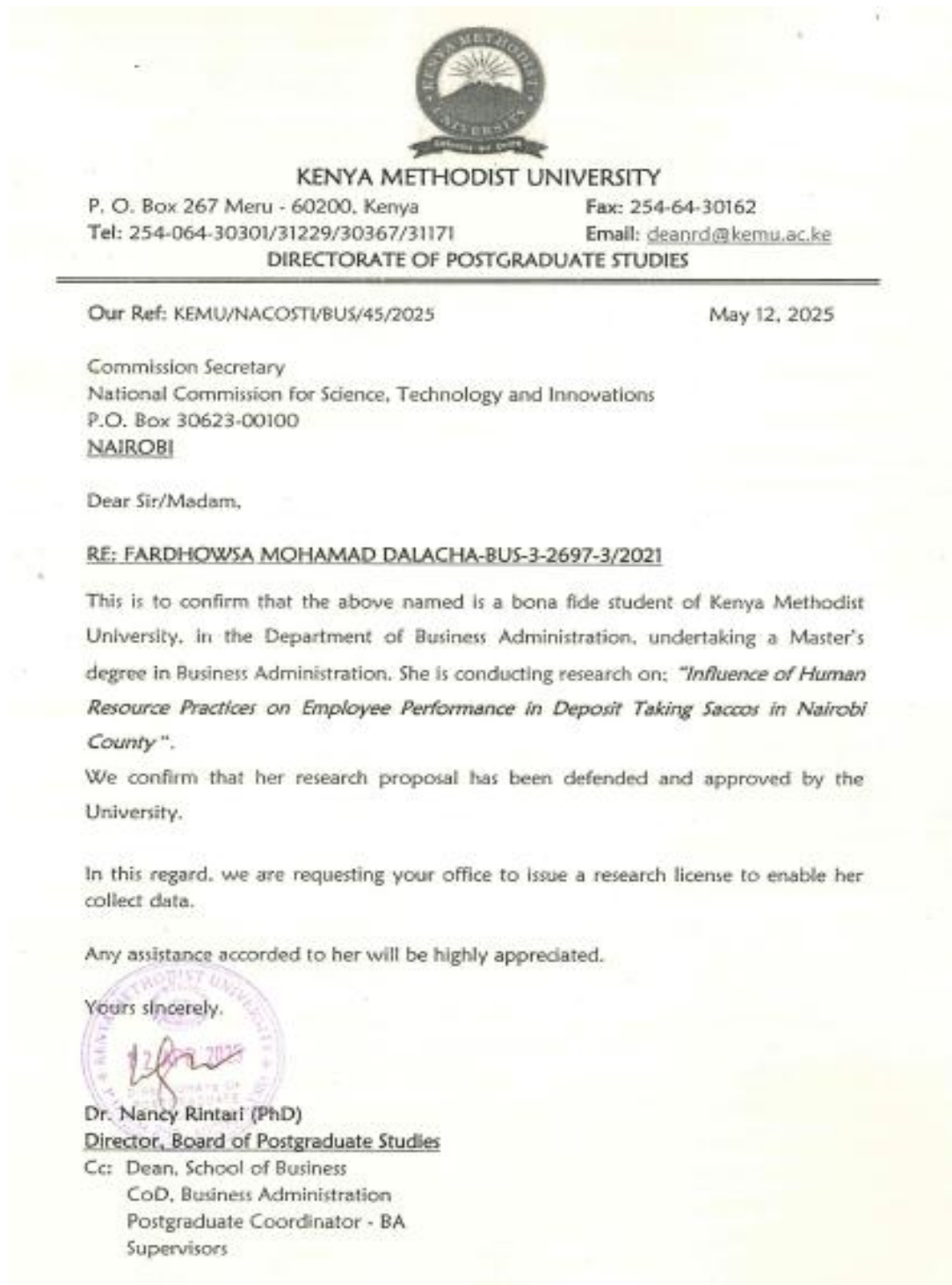
.....

How does your organization ensure that highly performing and talented employees are retained in the organization?

.....

.....

Appendix IV: KeMU Introduction Letter to NACOSTI



Appendix V: Ethical Review Board Letter



KENYA METHODIST UNIVERSITY
P. O. BOX 267 MERU - 60200, KENYA FAX: 254-64-30162
TEL: 254-064-30301/31229/30367/31171 EMAIL: info@kemu.ac.ke

Our Ref: KeMU/ISERC/BUS/45/2025
FARDHOW/SA MOHAMAD DALACHA
BUS-3-2697-3/2021

May 12, 2025

Dear Fardhowsa,

SUBJECT: INFLUENCE OF HUMAN RESOURCE PRACTICES ON EMPLOYEE PERFORMANCE IN DEPOSIT TAKING SACCOS IN NAIROBI COUNTY

This is to inform you that Kenya Methodist University Institutional Scientific Ethics and Review Committee has reviewed and approved your research proposal. Your application approval number is KeMU/ISERC/BUS/45/2025. The approval period is 12th May, 2025 – 12th May, 2026.

This approval is subject to compliance with the following requirements:-

- I. Only approved documents including (informed consents, study instruments, MTA) will be used.
- II. All changes including (amendments, deviations, and violations) are submitted for review and approval by Kenya Methodist University Institutional Scientific Ethics and Review Committee.
- III. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to KeMU ISERC within 72 hours of notification.
- IV. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to KeMU ISERC within 72 hours.
- V. Clearance for export of biological specimens must be obtained from relevant institutions.

- VI. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- VII. Submission of an executive summary report within 90 days upon completion of the study to KeMU ISERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology and Innovation (NACOSTI) <https://oris.nacosti.go.ke> and also obtain other clearances needed.

Yours sincerely,



Appendix VI: List of Deposit-Taking SACCOs in Nairobi County

- | | | |
|--|---|---|
| 1. Kenya Police SACCO | 23. Kenya Power and Lighting SACCO | 44. Buru Buru SACCO |
| 2. K-Rep SACCO | 24. Kenya Industrial Estates SACCO | 45. Eastleigh SACCO |
| 3. Co-operative Bank SACCO | 25. Kenya Wildlife Service SACCO | 46. Kibra SACCO |
| 4. Harambee SACCO | 26. Kenya Red Cross SACCO | 47. South B SACCO |
| 5. Nairobi City Council SACCO | 27. Kenya Institute of Education SACCO | 48. South C SACCO |
| 6. Umoja SACCO | 28. Kenya Film Commission SACCO | 49. Kamukunji SACCO |
| 7. Stima SACCO | 29. Kenya Seed Company SACCO | 50. Nairobi Central SACCO |
| 8. Hifadhi SACCO | 30. Kenya Medical Research Institute SACCO | 51. Pangani SACCO |
| 9. Safaricom SACCO | 31. Kenya National Association of Manufacturers SACCO | 52. Ngara SACCO |
| 10. Kenya Bankers SACCO | 32. Kenya Urban Roads Authority SACCO | 53. Nairobi East SACCO |
| 11. Jubilee SACCO | 33. Kibera Community SACCO | 54. Nairobi West SACCO |
| 12. Teachers SACCO | 34. Kawangware SACCO | 55. Kibera Youth SACCO |
| 13. Health SACCO | 35. Mathare SACCO | 56. Kawangware Women SACCO |
| 14. Kenya Power SACCO | 36. Lang'ata SACCO | 57. Gikambura SACCO |
| 15. Nation Media Group SACCO | 37. Westlands SACCO | 58. Kenya Medical Association SACCO |
| 16. Kenya National Library Services SACCO | 38. Karen SACCO | 59. Aga Khan Hospital SACCO |
| 17. Kenya Airways SACCO | 39. Mukuru SACCO | 60. Kenya Association of Travel Agents SACCO |
| 18. Kenya Railways SACCO | 40. Kasarani SACCO | 61. Kenya Investment Authority SACCO |
| 19. Kenya Marine and Fisheries Research Institute SACCO | 41. Dagoreti SACCO | 62. Kenya National Chamber of Commerce and Industry SACCO |
| 20. NSSF SACCO | 42. Roysambu SACCO | 63. Kenya Private Sector Alliance SACCO |
| 21. Institute of Advanced Technology SACCO | 43. Donholm SACCO | 64. Kenya National Union of |
| 22. Jomo Kenyatta University of Agriculture and Technology SACCO | | |

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|--|------------------------------------|
| Teachers (Knut)
SACCO | 80. Nairobi South
SACCO |
| 65. Kenya National
Union of Nurses
SACCO | 81. Kibera Women
SACCO |
| 66. Kenya
Association of
Manufacturers
SACCO | 82. Westlands
Women SACCO |
| 67. Kenya Institute of
Management
SACCO | 83. Buru Buru
Women SACCO |
| 68. Kenya
Association of
Savings and
Credit Co-
operatives
SACCO | 84. Karen Women
SACCO |
| 69. Kenya Union of
Savings and
Credit Co-
operatives
(KUSCCO)
SACCO | 85. Gikambura Youth
SACCO |
| 70. Nairobi Women
SACCO | 86. Kamukunji
Women SACCO |
| 71. Kibera Youth
SACCO | 87. Nairobi Central
Women SACCO |
| 72. Gikambura Youth
SACCO | |
| 73. Donholm Women
SACCO | |
| 74. Nairobi
Cooperative
SACCO | |
| 75. Kawangware
Youth SACCO | |
| 76. Gikambura
Women SACCO | |
| 77. Nairobi District
SACCO | |
| 78. Kasarani Women
SACCO | |
| 79. Lang'ata Women
SACCO | |

Appendix VII:

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