

## HUMAN RESOURCE PRACTICES AND PERFORMANCE CONTRACTING IN THE PETROLEUM INDUSTRY IN KENYA: A CASE STUDY OF VIVO ENERGY INVESTMENT MOMBASA

### ABSTRACT

The main objective of the research was to examine the human resource practices and performance contracting in the petroleum industry in Kenya. The research was done at vivo energy investment based in Mombasa County. ~~The use of performance contracts has been applauded as an operative as well as auspicious means of enlightening the enactment of public institutions as well as government departments. The research was led by ensuing variables like employee's training, employee compensation, performance appraisal and finally employee promotion on performance contracting at vivo energy investment, Mombasa County. The study was anchored on Goal Setting Theory because this theory expresses that goal setting is basically connected to work fulfilment. It indicates that goals which are specific, challenging and accepted by workers alongside proper feedback will prompt to higher level of performance. This can be related to employee participation in coming up with performance appraisal because performance appraisal involves setting goals to be achieved by employees at the end of appraisal period. It also identifies performance gap and help employee to improve their weak areas. The study was also and was supported by Expectancy Theory and also McGregor's theory X and Y. The study research espoused a adopted a descriptive research design for data collection and analysis, to offer the general plan in lieu of gathering as well as analyzing data to get enough knowledge on topic from the respondents.~~ The target population of the research was 300 respondents and the investigator targeted a sample size of 90 respondents which is 30% of the total respondents. ~~The questionnaire was used as the research instrument for data collection in the study and analysed through descriptive data analysis tools like tables, figures, percentages and SPSS. The scholar used a simple random sampling method for the study. The researcher used questionnaires to gather information and were analyzed and presented through tables and figures. The analysis was done through presentation of the (SPSS) software.~~ The research also applied the regression analysis to establish the affiliation amid the dependent as well as the independent variables. The coefficient of determination implied that the set of independent variables in this study accounts for 52% of variations in the performance contracting in the petroleum industry. The remaining percentage (48%) is accounted for by ~~other for other~~ variables outside the model. The result indicates that knowledge and information regarding the independent variables provides a great proportion of information regarding performance contracting in the petroleum industry in Kenya. The study recommended that vivo energy investment ought to include in their individual rewards a real reward administration in lieu of safeguarding efficacy as well as impartiality in their reward system. Such a system must observe the diverse areas work fairly. Consequently, the employee, cleaners and the like must be handled just like the senior fiscal administrators during the rewarding. The study findings ~~lead leading~~ to concluding that employee training at vivo energy investment in Mombasa Kenya has a positive effect on employee recital of these establishments. The businesses design training agendas in lieu of certifying that employee training requirements are constantly met via counseling, assemblies, and support workers' exertions in refining their flaws. Efficacy as well as competence of worker's training amongst employees at Vivo energy investment in Kenya contributes considerably to the employee recital at individual and therefore the organizational performance.

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### ACRONYMS AND ABBREVIATIONS

<b>ANOVA:</b>	Analysis of variance
<b>CEO:</b>	Chief Executive Officer
<b>HR :</b>	Human Resource
<b>LPG:</b>	lubricants and liquefied petroleum gas
<b>PC:</b>	Performance contracting
<b>PSA:</b>	Public Service Agreement
<b>UK:</b>	United Kingdom
<b>USA:</b>	United States of America
<b>SPSS:</b>	Statistical Package for Social Scientists

### OPERATIONAL DEFINITION OF TERMS

<b>Contract:</b>	Essential treaty amid two or more parties in lieu of execution or desisting from carrying out some quantified act(s) in exchange for legal deliberation.
<b>Leadership:</b>	The capacity of the top-level administration in the organization to show the strategic course needed to implement the performance contract meritoriously.
<b>Performance appraisal:</b>	Feedback system that comprises the direct assessment of individual recital by an administrator, superior or aristocracies.
<b>Performance Contract:</b>	Is a managing tool in lieu of determining enactment against negotiated recital goals.
<b>Performance contracting:</b>	It is a branch of management science known as Management Control Systems and is a contractual arrangement to implement a service rendering to agree upon terms, in a recognized period, in addition to a specified usage of resources as well as enactment standards.
<b>Performance management:</b>	An integrated procedure of defining, evaluating as well as strengthening workers exertion behaviour and outcomes.
<b>Stakeholders:</b>	People as well as entities that have a concern in the strategy of an entity. Stakeholders generally consist of shareholders, clients, staff as well as the local public.

## INTRODUCTION

### 1.0 Introduction

The contents of this chapter are: background of the study, statement of the problem, purpose of the study then objectives of the study followed by research questions. The chapter further discusses the significance, as well as scope of the study. The section finalizes with organization of the study.

### 1.1 Background of the Study

Performance contracting has been hailed ~~as an effective~~ ~~as effective~~ and efficient tool to delivery of services and targets where other performance management tools such as outsourcing and benchmarking had failed. Performance contracting originated in the 1970s when the business environment was rather stable and strategic planning was entrusted in the hands of the top leadership of the firm. This led to a gap as top managers who were involved in formulation of organizational goals overlooked the context in the lower levels of implementation. It is a branch of management science known as Management Control Systems and is a contractual arrangement to implement a service rendering to agree upon terms, in a recognized period, in addition to a specified usage of resources as well as enactment standards.

Performance contracting is a fragment of the wider Public Sector Improvements meant at refining efficacy as well as effectiveness in the administration of the public service, (Hunter & Gates, 2018). According to Neely (2021) performance contract is a freely negotiated treaty amid the government acting as the holder of a community initiative as well as the inventiveness itself in which the purposes, responsibilities as well as errands of both parties are spontaneously discussed and evidently set out. Neely (2021) indicated that performance ~~contracting,~~ ~~whetherecontracting whether~~ ~~in the publicin public~~ or private segment, ~~has~~ ~~have~~ the main goal of providing an enactment management ~~method~~ ~~methods~~ that basically draws on performance measurement as well as observing and giving a foundation in lieu of performance appraisal as well as prizes. Neely (2021) posited ~~thatout that~~ the glitches impeding performance in government agencies are excess controls as well as regulations, multiplicity of leaders, numerous political intrusion, brain drain, overstuffed staff echelons, and poor management.

In a global perspective, Lin ~~&and~~ Lee (2021) who carried ~~out researcha~~ ~~research~~ on the impact of performance contracting in manufacturing firms in Spain argues ~~that thethat, the~~ private segment was the first to embrace performance contracting as a management tool before the public sector and that many private manufacturing firms who embraced performance contracting were thriving. Lin and Lee (2021) found out that the inadequate incomes of the private segment was a main provider to their espousal of performance contracting as a way of novelty to realize higher recital. Lin and Lee (2021) concluded that performance in the private segment is much ~~easy~~ ~~easy~~ since they are predominantly fretful with quantifiable profits as opposed to the public segment, which habitually has many not easy to measure, and occasionally differing goals.

~~It has been earlier observed that the Dooren, (2020) in her research on the influence of human resource management practices on revenue, output, as well as corporate monetary Enactment in Colombia indicated that,~~ introduction of performance contracting in most organizations in the country was prejudiced by the presence of perceptible outcome that are quantifiable and a favorable administrative setting, including the sustenance by shareholders in lieu of private entities as well as political class in lieu of the public ~~segmentsegment,~~ (Dooren, 2020). ~~Dooren, (2020) found out that-~~ Though there were challenges facing performance contracting, such as employees fearing losing their jobs if their performance was not better, it played a key part in enlightening efficacy as well as enhancing policy regulator and strategies in an organization to attain agreed objectives (Dooren, 2020).

Grinblatt & Titman (2019) in his study on the impact of Performance Contracting in public agencies in Finland. Grinblatt & Titman (2019) noted that major public service reforms were introduced in the country during 1987-1997. According to Grinblatt & Titman (2019), Performance Contracting made public agencies more responsible and accountable with the limited resources available for them. Grinblatt & Titman (2019) indicated that though performance contracting face different challenges from public agencies, numerous public amenities are currently allocated by a tendering procedure. Though the outcomes are varied, performance connected pay structures are increasing in the public segment alterations.

In African context, Heather (2020) carried out a study on the benefits of performance contracting in an organization in Benin and found out that performance contracting addresses economic, social and any extra errands that an intervention has to discharge in lieu of fiscal enactment or in lieu of other anticipated outcomes. According to Heather (2020), performance contracting organizes and defines errands so that an organization can accomplish them

methodically, decisively, and with rational likelihood of success. Heather (2020) also indicated that performance contracting backings in emerging opinion, perceptions as well as methods in lieu of defining what must be done and how to go around it. Although performance contracting is facing challenges like fear of losing jobs, Heather (2020) indicated that performance contracting is a well thought off idea that is set to benefit the workers and the organization and it is freely negotiated between the organization and the employees. It obviously stipulates the purposes, onuses as well as errands of the two astringent parties.

Swaartbooi, (2016) did a research on the influence of performance contracting on organization growth in South Africa and also to determine what can be done to enhance the growth of the firm. The study revealed that performance appraisal can be used primarily to give feedback on inadequate performance, recognize outstanding performance and identify training needs of employees, (Swaartbooi, 2016). Swaartbooi, (2016) indicated that performance contracting came from the insights that the enactment of the public segment has been constantly dwindling under the anticipations of the people. According to Swaartbooi, (2016), the decline is associated with unnecessary controls, assortment of values, numerous administrative meddling, deprived organization as well as absolute mishandling. However with the execution of performance contracting, it is essential to establish how the execution has impacted on service delivery in South Africa.

With the high echelons of antagonism in today's business setting, training as well as growth has climbed the ladder of prominence in lieu of establishments that aim at having a modest advantage. There is momentous deliberation amid professionals as well as researchers as to the effect that training as well as development in establishments has on both the workers as well as establishment objectives. On one hand, the school of thought grips firm that training ultimately tips to an upsurge in worker's turnover, as it creates them more marketable as well as conversant. Although other school states that training is a tool to that can lead to advanced echelons of worker's retention as well as commitment to the establishment, (Colarelli & Montei, 2016). Irrespective of where one falls in this deliberation, most experts agree that workers training is a multifaceted human resource practice that has a momentous influence on an establishment's accomplishment.

Most organizations nowadays, realize that employee compensation is the indispensable component to conserve or upsurge employee gratification which will keep him/her in the establishment, disgruntled workers will habitually resign. Akrani (2017) convened motivational aspects into two comprehensive terms specifically; the fiscal features as well as non-fiscal factors. Unless these aspects are sufficiently managed by administrations, workers might be disgruntled. Fiscal features might be presented in terms of money inducements to workers. Such inducements are enormously eye-catching to workers, principally to lower level management. Nevertheless, those at advanced echelons of management are found to be more affirmative to non- fiscal inducements, (Akrani, 2017).

In order for performance appraisal systems to be efficacious, it is vital to be a collective procedure amid administrators as well as workers. A performance appraisal cycle must originate with a dialogue of workers as well as manager to discuss outcomes, the anticipated comportments as well as evolving features in lieu of enhanced future performance, (Antony, 2014). This collaborative aspect of performance appraisal procedure lets administrators comprehend the story from an assistant's viewpoint, (Robbins, 2017). This shall consequently offer a forum to intricate the anticipations in lieu of workers. It also offers info in lieu of impending choices about elevation or plunders and offering a dais to accomplish the anticipated workers comportments in lieu of better enactment. Human Resource errands for instance performance management influence and comprise workers and managers. This insertion shall impact the eminence of the affiliation and also surge discernments as indicated by, (Manville & Greatbanks, 2013).

The human resources must be malleable enough particularly in their affiliation with the workers which can be interpreted into company's recital if suitably managed, (Ketkar & Sett, 2019). This suppleness, particularly in the human resources section help to express the requisite in lieu of variability in info circulation as well as synthesis offers improved situational exploration, (Ketkar & Sett, 2019). This similarly does give the means in which the info that is on offered can be reconfigured or revitalized to be effortlessly amalgamated as well as integrated in the business deprived of much impediments going into it, (Ketkar & Sett, 2019). During employee selection, it is important that the organizations offer intense staff training so as to develop their skills and sharpen those that they already have, (Ketkar & Sett, 2019). There should also be management of the individual employee performance that is aimed at certifying that there is development of the worker's production and an in – depth indulgent of the employee, (Ketkar & Sett, 2019).

Workers with great understanding of the business are more probable to offer eminence service, the procedures through which a business used to uphold those workers is referred to as employee retention, (Ghazali, Nasyuki and Xiao Yi, 2018). Intrinsically, it is thought that the cost involved in workers turnover is enormous as it comprises loss

of aptitude ~~staff/staffs~~, meagre eminence services, meagre job recital, problems of replacement as well as high cost of teaching new workforce, and loss of business prospects. Actually, workers retention is a long term elucidation in lieu of attaining efficacious administrative purposes, increase shareholder's assurance and certifying modest benefit, (Ofosuhene, 2018).

In Kenyan perspective, Musa (2019) carried out a research on the challenges facing performance contracting in Kenya and revealed that, in implementing performance contracting, the common encounters that want to be dealt with comprise enhancement of performance to supply eminence as well as appropriate amenities to the citizen, enlightening efficiency so as to exploit stockholders affluence, plummeting or removing dependence on the exchequer, imparting a nous of culpability as well as transparency in service provision as well as the deployment of possessions as well as giving independence to administration interventions deprived of being exposed to the bureaucracies as well as superfluous actions. Musa, (2019) indicated that in the formulation of development plans, the organization may be knowledgeable about certain challenges and areas that are generic to their field of specialization, which they habitually lack a bosom knowledge of the distinctive socio-political as well as fiscal conditions antagonizing them.

The distribution of crude oil around the world is not uniform. There is much endowment of the resource in some regions and countries while there are those that lack the resource. According to a report by British Petroleum (2016), majority of the oil reserves are located in the Middle East region. Primarily situated in Iran, Iraq, Kuwait, Saudi Arabia and the United Arab Emirates (UAE). Liquefied petroleum gas is found in Russia, Iran, Qatar and Saudi Arabia. In terms of productions, there is variation in production among regions due heterogeneity in oil reserve distribution. BP (2016) recorded the global oil production in 2015 as 3995.6 Mtoe which is equivalent to 83.57MB per day. Among the regions, the main crude producers include: The Middle East 33 percent, followed by Europe and Eurasia at 21 percent, with North America following at 17 percent, Africa 10 percent, Asia Pacific 10 percent and South and Central America 10 percent.

Global oil consumption varies across regions and countries and is determined by factors such as population, income distribution and primary economic activity in a country, (Naveed, 2010). Global oil consumption is 4059.1 Mtoe, equivalent to 93.3 MB per day. The highest consumers of oil regionally are; Asia pacific 32.4 percent, North America 25.3 percent, Europe 22 percent, Middle East 10 percent, Africa is the least consumer with 3.9 percent. Country wise, USA ranks first with 21 percent share of universal consumption, followed by China 11 percent, then Japan 5 percent, India 4 percent, Russia 3 percent, Saudi Arabia 3 percent, Brazil 3 percent and Iran 2 percent. In Africa, many countries are viewed as energy poor since majority of the population cannot afford clean and reliable energy, (African Development Bank, 2009). The region trails in the global share of oil consumption which stands at 3.9 percent, this is in spite of the continent accounting for one fifth of the global population. The structure of global energy consumption is a revelation of a huge disproportion in the global access to commercial energy. In terms of oil production, Africa contributes 12 percent to the global oil production with largest reserves in Libya, Angola and Nigeria. Despite the high production, oil prices have been rising due to high cost of production and poor infrastructure. The high prices pose a challenge to Africa's economies since 38 of the 53 countries are net oil importers.

There exists limited indigenous energy resources in Kenya and there is a concern that it may not be sufficient in sustaining the Country's economic development in the long run and may thus drive the Country into relying on energy imports, (Kariuki, 2012). Currently, Kenya meets 60 percent of its total energy demand through imports (National energy survey, 2015). National oil (2016) projects the share of imported energy to increase by 10 percent as a result of oil consumption by the Standard Gauge railway and reviving of industries that had collapsed such as Webuye pan paper mills; various irrigation schemes; urbanization that has led to increase in public service transportation and massive importation of cars by Kenyans etc. The challenge, therefore, is to secure adequate oil supplies at the minimum possible cost, (National oils, 2016).

Locally, Vivo Energy entered in the Kenyan Market in November 2018, it operated 164 retail petrol locations through the nation, a bulk oil storage terminal in Nairobi's industrialized zone as well as Mombasa, jet as well as aviation services at Jomo Kenyatta International Airport, Wilson Airport, Mombasa International Airport and Malindi Airport and a lubricants oil unification plant in Mombasa, (Vivo, 2017). According to Vivo, (2017), the company has been implementing performance contracting in the organization making one of the best performers since performance contracting enhances efficiency in the organization. The establishment served diverse market sections comprising retail, profitmaking as well as resale clients with products ranging from locomotive fuels, fuel oil, lubricants, aviation fuels, and liquefied petroleum gas. Vivo Energy Kenya served all businesses comprising mining, construction, aviation, agriculture amongst others. Vivo Energy possesses rana Jet 1A and Avgas in two aviation yards in Wilson airport, Nairobi as well as Malindi airport at the Kenyan coast.

The firm also ran partnerships with airlines to offer an in-plane fuel indulgence at Jomo Kenyatta International Airport (JKIA), Moi International Airport, Wilson Airport and Malindi Airport. Vivo Energy being the market leader in Kenya's downstream industry played a main role in the supply chain. With a total storage volume of about 20 million litres, Vivo energy aided in storage the business product therefore plummeting fuel deficiencies. Vivo Energy Kenya had contributed positively to the Kenyan frugality via hiring over 160 persons unswervingly and 200 workers ramblingly in the retail as well as loading places, running numerous initiatives comprising road safety in partnership with logistics establishment Multiple Hauliers East Africa, giving patronage via its corporate social responsibility, supporting Quentin Mitchell Rally team in partnership with Chandaria businesses limited and in 2015 it became the formal benefactor of the Kenya National Rally Championship, (Vivo, 2017).

### 1.1.1 Profile of Vivo Energy Investment Company

Vivo Energy Investment Company is the enterprise that dispenses as well as markets Shell and Engen patented fuels and lubricants to retail as well as commercial clients in Africa. They work in 23 nations through North, West, East and Southern Africa where they have a network of over 2,400 service stations. They similarly export lubricants to different further African nations. Engrossed on fuelling Africa's future they make their customers' lives easier and their experience with them more convenient, enjoyable and rewarding. They offer high-quality products and services to their customers, setting new standards for safety, innovation and service, wherever they operate. Their dream is to develop the most treasured energy trade in Africa.

Vivo Energy is gratified to give the very best of Shell and Engen yields as well as amenities to both retail as well as commercial clients across the continent. These comprises world-class distinguished fuels as well as lubricants; industry-leading industrial as well as technical know-how; and private, enthusiastic customer amenity. In their service stations, they give in excess of just fuel, with a variety of shops, food outlets plus other amenities to meet the requirements of our clients. At Vivo Energy, they need to make a genuine as well as lasting change to the communities in where they operate. They have decided to focus on three main areas of public venture. Community investment programmes matter to them because they hire residents and help local companies as well as individuals. They want to create lasting social and economic benefits for the people and involve them in earning their admiration and trust. The three refrains of their communal venture programme are road well-being, education as well as the situation.

### 1.2 Statement of the Problem

Performance of government institutions are fundamentally mutual and have been recognized as an assortment of ideologies, absolute mishandling, poor administration, unwarranted control as well as recurrent political meddling. In spite of the numerous exertions to deal with these encounters, it is projected that operative application of performance contracts at Vivo Energy Investment will go far in managing efficiency. In truth, nevertheless, performance contracting has had its encounters, making its efficiency interrogated in some parts. With the implementation of performance contracting in the past many years there is a necessity to examine the factors that impact execution of performance contracting in private sector establishments. Previous studies carried out on performance contracting have focused on factors generally influencing implementation of performance contracting in State Corporation but not private entities which operate under totally different environment like Vivo energy, (Gichuki, 2018).

Empirical studies have pointed to the increasing link of HRMP and Performance of firms. HRMP-firm Performance relationship has been the subject of significant empirical examination (Khatri, 2020; K'Obonyo, Busienei, & Ogutu, 2016; Dimba & K'Obonyo, 2019). Nevertheless, this studies have been done in other sectors of the economy but none reviewed focused on manufacturing firms in Kenyan context. Studies indicate that those firms that adopt certain HRMP in the implementation of the human resource practices, policies and practices tend to achieve superior results compared to their competitors (Kidombo, 2017).

Vivo Energy, a Royal Dutch Shell licensee has been designated as the case study particularly because it's one of the highest OMCs in Kenya. Shell branded merchandises have been in the country since 1900 and consequently the firm has recognized that solid local, regional as well as global setups suitable to be scrutinized on strategy and value chain. The Kenyan oil trade plays a very crucial part in the Kenyan frugality and other east African frugalities. Meanwhile the unearthing of oil in 2010 in a frugality that is frequently determined by on agriculture as well as tourism, Kenya is looking at revising her balance of payment (BOP) by plunging or abolishing the prerequisite in lieu of inflated ingresses of crude as well as refined petroleum products. According to Vivo Energy Investment Ltd

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report dated 3<sup>rd</sup> March 2021, the financial highlights were as follows; sales volume fell by 7%, revenue was down by 17%, gross cash unit margin reduced with 72000lts, gross profit fell by 9%. This information shows that there is a problem at Vivo energy that need to be addressed with immediate effect.

Some researchers have claimed that more operative packs of HRMP can transmute an establishment's employees into a planned asset, on account of the potential in lieu of complementarities amid human resource management practices as well as a company possessions, (Ulrich & Lake, 2016). The studies revised have concentrated on individual HR practices on recital, (Storey, 2018; Barringer et al., 2015; Zhu, 2017). The outcome of compensation, training, recruitment as well as information sharing on enactment has not been researched on extensively. Based on this, the research concentrated on shading light on grey parts as well as viewpoints that had not been encompassed in earlier organization Enactment empirical researches.

Nevertheless, researches have been carried out on performance contracting in other establishments, little has been done on the effect of performance contracting on performance in the energy segment companies in Kenya as stated below. Locally, researches which have been done on performance contracting have focused on execution (Ogoye, 2002; Choke, 2006 and Langat, 2016) while one research has embarked upon the wide-ranging Impact of performance contracting in state corporations, (Korir, 2016). In spite of the accessibility of widespread prevailing literature on performance contracting there is no evidence on the impact of performance contracting on performance of Petroleum industry in Kenya. Not many researches have discussed on how employee's training, compensation, performance appraisal as well as employee promotion enhances performance at Vivo energy. It is beside this ground that a researcher is to undertake a research on the Human Resource Practices as well as Performance Contracting in the Petroleum industry in Kenya, a case of vivo energy investment, Mombasa County.

### 1.3 Objectives

The purpose of the study was to scrutinize the Human Resource Practices and Performance Contracting in the Petroleum industry in Kenya, a case of vivo energy investment, Mombasa County, Kenya.

#### 1.3.1 Specific Objectives

The study was led by the ensuing specific objectives:

- i. To establish the effect of employee's training on performance contracting at vivo energy investment, Mombasa County.
- ii. To find out the effect of employee compensation on performance contracting at vivo energy investment, Mombasa County.
- iii. To determine the effect of performance appraisal on performance contracting at vivo energy investment, Mombasa County.
- iv. To assess the effect of employee promotion on performance contracting at vivo energy investment, Mombasa County.

#### 1.4 Research Questions

- i. What is the effect of employee's training on performance contracting at vivo energy investment, Mombasa County?
- ii. To what extent does employee compensation affect performance contracting at vivo energy investment, Mombasa County?
- iii. How does performance appraisal affect performance contracting at vivo energy investment, Mombasa County?
- iv. What is the effect of employee promotion on performance contracting at vivo energy investment, Mombasa County?

#### 1.5 Significance of the Study

Findings on performance contracting indicate that it is auspicious as well as operative means of enlightening recital in public initiatives around the globe. Researchers have been fascinated to the concept of performance contracting due to its potential to advance service delivery. The existing literature customarily centers on worker's contribution and cognizance, the connotation amid individual targets as well as PC, connection amid reward systems and PC, effects of PC on performance, theories as well as training that support the conception. The policy makers in organizations found the research findings significant since it provided relevant information about factors affecting performance contracting. In particular, the Government policy maker on matters of employment found the research findings important as it may inform their input in the Employment Act.

In theory, the study was also significant to academician and researchers who applied the upshots of the research as a fragment of secondary data in augmenting upcoming researches. The research enabled scholars to ascertain gaps in

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the existing research as well as accomplishing investigation in those areas. Researchers and scholars who are intending to research in performance contracting may benefit from this work because the study could permit them to comprehend the effect of performance contracting on workers' performance. The research also added to the prevailing literature in the part of performance contracting which could excavate more expanses in lieu of more investigation.

The management got an understanding of the factors affecting performance contracting and current policies to formulate to suit the organization's business strategy. In addition, with improved policies managerial effectiveness was enhanced in decision making process. This research would prepare the administration with necessary operational relations as well as employee associations on how to take care of workers' defies. The employees particularly non management staff learned the different policies in place regarding performance contracting and its aids to the staff as well as the organization as a whole.

#### 1.6 Scope of the Study

The content scope of the research was restricted to finding out the Human Resource Practices and Performance Contracting in the Petroleum industry in Kenya. It was carried out at vivo energy investment in Mombasa County. In addition, the target population was 300 employees of Vivo energy investment, Mombasa County. The study adopted a descriptive research design. In this study, a sample of 30% of the employees was computed. The time scope of the study was from Jan 2022 to July 2022.

#### 1.7 Chapter Summary

This chapter offered the background of the study, statement of the problem, objectives of the study, research questions, justification as well as scope of the research to be taken by the scholar.

## LITERATURE REVIEW

### 2.0

In this chapter, the literature that is connected as well as consistent with the objectives of the research, is reviewed. Empirical literature review then followed and conceptual framework was formulated. Significant theoretical as well as practical glitches were brought out; pertinent literature on the facets pertaining the affiliation amid human resource strategies as well as employees performance contracting.

#### 2.1 Theoretical Literature Review

##### 2.1.1 Goal-Setting Theory

Goal setting theory was brought forth by Edwin Locke in 1968 in order to explain human behavior in specific work situations. This theory expresses that goal setting is basically connected to work fulfilment. It indicates that goals which are specific, challenging and accepted by workers alongside proper feedback will prompt a higher to higher level of performance, (Locke and Latham, 1979; Locke and Latham, 2020). This can be related to employee participation in coming up with performance appraisal because performance appraisal involves setting goals to be achieved by employees at the end of appraisal period. It also identifies performance gaps and helps employees to improve their weak areas.

According to this theory, goals make employees discover new and better approaches to do work effectively. It also concur that obligation on goals is probably going to be high when goals are made open and they are not forced on people. According to this theory, when goals are specific and workers are engaged in setting them, their performance increases. As indicated by Locke and Latham (2002, 2020) there are five goal setting rules that can enhance our chances of accomplishment. These are: Clarity, challenge, commitment, feedback and task complexity. Newstrom (2021) ascertained that setting of goals motivates the fact that there is a shortfall to be met between the present and future performance. This creates tension and workers diminish it by achieving the goals. This increases workers motivation, gives aptitude in work and enhances self-confidence which additionally rejuvenates the need in lieu of self-development.

Goal setting theory is critical in enlightening our study since it enhances the usage of performance contracting as a strategy to raise performance of workers. The theory supports the first objective of the study since the employee relies on training and guidance on what to do to enhance performance. The goals identify and provide guidance to a worker about what should be done as well as how much exertions are needed to be put in. Particular objectives enhance the plea to perform well, and demanding objectives, when accepted, result in higher

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performance than easy objectives. The key elements of the goal setting theory are that there should [be an ideal](#) ~~idea~~ level of challenge; goal lucidity; as well as feedback, (Locke & Latham, 2002).

### 2.1.2 Expectancy Theory

The theory is also known as expectancy valence theory. Expectancy Theory was developed by Vroom (1964) and its idea is that individuals' expectations in their performance influence their conduct and the reward they look for. It contends that motivation comes to realization through expected performance result and the attached level of reward to the outcome by the individual. As indicated by Vroom organization behavior evaluation is imperative. He contends that motivation of individuals relies upon their anticipations in terms of probability that exertion leading to performance, instrumentality or presumed association amid performance as well as valence which is the presumed valued linked to the reward.

Vroom (1964) also trusts that if individuals acknowledge as factual a sure value of a goal and that they shall accomplish it through their actions; they will be motivated to accomplish it. Vroom's theory attests that individuals' inspiration towards doing anything is because of the individual putting a specific incentive on the goal and the likelihood of accomplishing that goal. The theory support the second objective on employees' compensation and it state that, not unless employees are well compensated, they cannot perform better. The theory additionally encourages managers to understand the connection amid impetus, performance as well as payment. Vroom posited that inspiration relies upon the expectation that effort will bring about performance. Expectancy theory is perilous in enlightening this research because it elucidates performance appraisal rudiments such as connecting rewards with performance.

### 2.1.3 McGregor's theory X and Y

This study was also founded on McGregor's theory X and Y which is a substitute to the classical organization theory of Max Weber. Theory X and Theory Y was an idea conceived by Douglas McGregor in his 1960 book "The Human Side of Enterprise". It summarized an essential difference amid management styles and has shaped the foundation in lieu of much ensuing inscription on the topic, (Cohen, 2017). Theory X is an dictatorial style where the prominence is on efficiency, on the notion of a reasonable day's exertion and on rewards for performance, (Minogue, 2018). It replicates a fundamental belief that administration must counter an integral human propensity to elude work, (Shawcross, 2019).

Theory Y is a participative style of administration which assumes that persons have a desire to and should contribute to the decision making procedure, they shall establish themselves and take accountability if they are trustworthy to do so, poor performance is most probably owing to tedious, monotonous as well as tiresome exertion or poor administration and that they relish work, seek gratification from work and have many diverse as well as multifaceted requirements, (Osiri, Benjamin & Odhiambo, 2020). It is organization's key job in such a scheme to capitalize on that assurance. Theory X assumes that persons are sluggish, do not love working and are predominantly inspired by cash, they must be diligently administered and controlled or they shall flounder, they do not care plus they are not concerned in the requirements of the business, they lack spirit and that they have no aspiration or aptitude to support in the decision making procedure or to undertake any obligation, (Osborne & Gaebler, 2018).

Theory Y, nevertheless, dons that individuals go to toil of their own accord. Theory Y gives an administration no easy reasons in lieu of letdown. It challenges administrators "to modernize, to realize new means of forming as well as guiding human exertion, albeit we know that the seamless organization, like the seamless void, is basically impractical", (World Bank, 2019). McGregor urged firms to espouse theory Y. since he thought, he might inspire people to the uppermost heights of attainment. Theory X simply fulfilled their inferior-level corporeal wants and might not hope to be as industrious, (Ackerman, 2019). Theory Y in its extreme method does not work better. All persons, nevertheless autonomous as well as settled, require certain form of arrangement around them as well as some course from others. Theory Y can similarly be disapproved in lieu of its "cruelty" to the frail, and to those not proficient of a high level of self-motivation.

According to Theory Y, persons don't hate job. It's as ordinary as respite or play. They don't have to be enforced or endangered. If they promise themselves to mutual goals, they'll drive themselves more efficiently than they can be driven by management. Nonetheless, they'll obligate themselves merely to the extent they can see ways of filling their self-esteem as well as improvement wants, (Pordgusky and Solmon, 2018). In this study, the application of theory X views in a firm comprised of diverse classes of staffs. When employees are given mandate to accomplish a

certain objective, they do it with ease. All these groups of individuals requires some ways of control mechanisms as a way of achieving the anticipated managerial objectives as well as aims. Theory Y on the other hand view a firm with a leader capable of applying management abilities in order to increase enthusiastic collaboration from workers via the use of rules as well as guidelines set by the administration.

## 2.2 Theoretical Empirical Literature Review

### 2.2.1 Employee Training and Performance contracting

Training is one of the imperative accomplishments where human resource officer can use to manage human resource in the firm. Training is a technique that endows employees to acquire expertise and acquaintance so as to realize their errands in operative as well as proficient method (Armstrong, 2016). Training is also applied as an instrument to upsurge efficacy and proficiency to staffs so as to surge their enactment, (Hunsaker & Cook, 2021). According to Dessler (2018) training course starts by determining training essentials. The training need exploration rest on whether you need to train a novel or present worker.

Armstrong (2016) posited that, operative training lead to enhanced individual enactment in terms of productivity and similarly a worker is capable of managing with varying setting. Training permits a worker to offer high level amenity to clients, decrease calamities at workstation, produce high eminence goods therefore high sales to the firm and in response the worker is capable of gaining higher recompense leading to better performance contracting to the employee. Training is defined as function that encompasses entire processes of events erudition experiences whose purpose is to impact and upsurge enactment and other comportment via skills, insolences, new acquaintance as well as dogmas, (Neely, 2021). Consequently, training duplicates activities that are prearranged to affect the competence as well as stimulation of workers. Scholars established that employee training has affirmative influence on performance contracting; for instance, increasing output where managers as well as workers contributed their enactment via employee training and share the benefits from training.

Training encompasses organization growth, education, old-fashioned training as well as occupational training, (Bulawa, 2021). Training is distincted as an erudition method offers to the person with a flawless clarification as well as indulgent of the enactment standard besides the value of the establishment. The connotation of workers training is to ascertain as well as distinguish the ability gaps of the firm. The gap shall be the abilities as well as competences that current persons have within a firm and the abilities as well as capabilities that a firm would like to have or necessary, (Kiboi, 2016).

The purpose of the training is to attain the ability which links to the group or a person within an establishment so as to attain an operative enactment. Human capital deliberates as an essential of the business's accomplishment, for example worker's know-how, abilities, acquaintance as well as skills. Accordingly, it is immensely noteworthy to regularly edify the persons and improve their imaginable as well as information. Training goals to upsurge enactment standards as well as efficacy by varying people's comportment in an establishment, the procedure of training comprises of expansion, analysis, design, implementation as well as assessment, (Korir, 2018).

With the high echelons of antagonism in today's business setting, training as well as growth has climbed the ladder of prominence in lieu of establishments that aim at having a modest advantage. There is momentous deliberation amid professionals as well as researchers as to the effect that training as well as development in establishments has on both the workers as well as establishment objectives. On one hand, the school of thought grips firm that training ultimately tips to an upsurge in worker's turnover, as it creates them more marketable as well as conversant. Although other school states that training is a tool that can lead to advanced echelons of worker's retention as well as commitment to the establishment, (Colarelli & Monte, 2016). Irrespective of where one falls in this deliberation, most experts agree that workers training is a multifaceted human resource practice that has a momentous influence on an establishment's accomplishment.

The training industry all together has displayed momentous development over the years. Figures designate that investment in training is growing as more and more establishments recognize its prominence. Mapetere (2012) researched on the strategic role of leadership in training execution in Zimbabwe's government-owned initiatives. The research found out that training is not being applied entirely to implement policies on those initiatives. Leaders of enterprises are not role models and are committed to use their skills to craft strategies and communicate the strategic direction of the organization's vision. Also, the work shows that the contextually centred in Zimbabwe and concentrated on leadership behaviour.

Research done by Mui, et., al., (2018) on the effect of strategic management on administrative enactment of firms in Malaysia and the crucial independent variables to measure the strategic leadership were management vision, strategic direction, essential proficiencies, developing people, and innovation ability and the dependent variable was

administrative enactment. The outcome of the research showed that leaders/employees training is indeed very important in contributing to organizational performance, (Hogg & Huberman, 2015).

### **2.2.2 Employee compensation and performance contracting**

Performance-established recompense is the prevailing HR practice that companies use so as to assess as well as reward workers 'endeavors, (Kibeti, et.al, 2020). There is consensus that Performance-founded recompense has a positive upshot upon workers as well as administrative Enactment, (Brown et al. 2016). Employee impetus, instituted on professed anticipations, can offer association amid recompense as well as Performance. Anticipation theory postulates that pay level shall impact workers' Recital when employees perceive that an affiliation exists amid their exertions as well as Enactment and employees gain specific benefits if they perform well, (Monyatsi, 2016). Experiential studies on the affiliation amid Performance-related pay as well as establishment Enactment have mostly recognized a positive affiliation, but an developing body of experiential evidence proposing that it is not impartial emolument level that matters, but recompense structure too, (Muthaura, 2018).

Both Performance-founded compensation and merit-founded preferment can be regarded as elements in organizational inducement schemes that serve to encourage individual Performance and retention, (Malusu, 2017). Widener (2017) established a double legit model of the affiliation amid two human resource practices with the usage of non-monetary methods in top bosses 'gratuity recompense agreements. Outcomes showed that this affiliation is watered-down by the establishment's remuneration arrangement. In specific, the affiliation was sturdier in companies that had used a classified pay arrangement. These establishments similarly have had a greater possibility of relying on human resource processes.

In a research of numerous hospitals, Brown, et al. (2016) scrutinized compensation at diverse echelons as well as arrangements and its influence on resource efficacy, patient care results, and fiscal Recital. Outcomes showed that greater remuneration was connected with superior Recital; nevertheless, the effects seemed to be wavy. The investigators accentuated the significance of an integrative method to making decisions concerning recompense. Fullan, (2021) scrutinized the affiliations among CEO apparent personality, CEO recompense packages, as well as firm Enactment in a sample of Fortune 500 establishments for a 10-year period. Outcomes designated that enigmatic CEOs is capable of swaying their personal payment packages and stock prices but no additional gauges of an organization Enactment.

In their investigation of external corporations working in Russia, Fey et al. (2000) established that remuneration level was discovered to be expressively linked with firm Enactment in lieu of both managers as well as non-managers. Furthermore, promoting administrators grounded on merit was certainly linked with an establishment Enactment while to be operational, reparation practices as well as dogmas must be affiliated with administrative purposes. While Enactment-instituted reparation can inspire workers, occasionally workers recognize it as an administration instrument to regulate their behaviour (Ingram et.al.2016). In such a situation, workers are less trusty as well as devoted, thus reparation strategies have the opposite than anticipated result (Baron, et.al, 2018). Martouret, (2016) established that retention-oriented reparation was correlated with numerous processes of an establishment Recital. Brignall, and Modell, (2019) studied 73 high-technology firms and displayed that the affiliations amid the HR practices as well as steady Enactment were arbitrated through their top leaders 'social systems.

A study conducted in USA on understanding worker's impetus in Ohio State University Lindner (2019) in his investigation on understanding worker's impetus; piloted at the Ohio State University's Piketon Research as well as Research and Extension Center as well as Enterprise Center. Lindner used descriptive survey in analyzing ten motivating factors where a questionnaire was developed from a review of literature and used to collect data. The questionnaire asked the participants to rank motivation factors that they considered most important to least important factor. From the findings, Lindner concluded that employees valued interesting work as a priority which is actually a self-actualizing factor. Secondly, the employees went for good wages as their number two motivator which is a physiological factor.

Executive reparation played an imperative part for affecting the conformation as well as connections of top managerial players, (Eshiwani, 2019). Inducement emolument established on organization Recital was found to upsurge assurance to administrative objectives, workers cohesiveness, and a shared alignment, (CEP, 2018). Cardon and Stevens (2017) posited that reparation is predominantly imperative in lieu of small companies since it affects employing as well as retaining exertions and it hints legitimacy to peripheral shareholders. Gamage (2017) suggested that incentive plans is effective in decreasing turnover rates. Gamage (2017) carried a longitudinal research of the efficacy of inducement strategies in the hotel industry and revealed that inducement strategies connected to augmented incomes, high returns, as well as dwindled cost.

Lindner (2018) provides an interesting outcome in consideration of the Maslow's Hierarchy since a self-actualization factor, that is, interesting work, comes first followed by a physiological factor, that is, good wages. It is

therefore complex to understand exactly what employee need and therefore motivation becomes one of the most complex factors for organizations. Therefore we cannot assume that employees will be motivated to perform unless we get an insight of what they really value. Therefore, there is a gap and this study intended to work on linking motivation needs of employees at different levels of the Technical University of Kenya so that we get to know what drives the employees to perform better in the work place and what they value as a motivator because as it seems, these factors vary in regards to many influencing factors.

Monte (2016) carried an investigation on the effect of remuneration on the enactment of firms in Kenya and discovered that elements of strategic management like mission together with vision shape a strong synergistic impact on employee efficiency. The study found out that managers in the operations, human resources and finance sections are being dominated by the male which indicates that resource distribution to enhance employees' motivation is inadequate. The study also suggested that firms should adopt a mission and vision which only articulates the impact and the significance of various aspects of performance like the contribution of employees. Furthermore, researcher discovered that most of the employees who are working in many firms are those who have been working for quite some time.

A study done by Nyamao (2016) on strategic management practices and enactment of five-star hotels in Nairobi County, Kenya. The investigator revealed that leadership on strategic direction impacted the enactment of hotels in a positive way. The research also appraised workers on their indulgences of vision, mission, objectives, and core values on the organization and the researcher found that the majority of the employees understand their vision, objectives, and core values but few understand their mission which the researcher recommended that strategic leaders who offer strategic direction should clarify on the organization's direction to the employees with clear codes of conduct and ethical practices, (Boam & Sparrow, 2017).

### **2.2.3 Performance appraisal and performance contracting**

It is often said that establishments that accomplish well are a replication of the exertions as well as attainments of their workforce. Recognizing these efforts as well as suitably adulatory or relaying them is imperious in lieu of organizational accomplishment. This is the rudimentary tenacity of performance evaluations. Jonyo & Owour, (2017) define it as, "to deliberate performance as well as plan in lieu of the future". Grote, (2021) describe the goal of staff evaluations as "to expand planning and service delivery at the universal level, but similarly to offer feedback to individual officers".

The procedure of assessing and subsequently vigorously managing administrative as well as employee enactment with the aim of expanding organizational efficacy which is presently perceived as precarious to the growth as well as persistence of the firm. Proper performance assessment policies are planned to meet numerous organizational as well as individual essentials. They offer methodical decrees to backing remuneration upsurges, elevations, transfers, devaluations as well as terminations. They are ways of evaluating as well as communicating job enactment eminence to an inferior worker and proposing required variations in conduct, insolence, abilities or job knowledge. They are similarly used as a foundation in lieu of an administrator to coach as well as advising the individual and to ascertain and deal with recital insufficiencies, (Bamberger, 2018).

In a research on transmuting the public service recital in Kenya via performance contracting Wanyama (2018) conferred whether recital management practices impact recital in public sector establishments in Kenya. The research benchmarked submissions that can be espoused in public segment, hybrid tactics to enactment management, the incipient constrictions as well as lessons learnt. The research sought to institute whether performance contract has reinvented the public establishments in Kenya; from its fruition, whether it has augmented efficacy, efficiency, limpidity as well as culpability to rationalize future allocation of resources making them eye-catching. These drew the antiquity of public segment alteration in Kenya and its validation and execution of diverse types of reorganization intrusions to its Ministries, Public Establishments, Public Campuses, Local Authorities as well as Tertiary institutes in lieu of effectual, operative moral delivery of services to tax payers, (Khan, 2017).

The advancement of jobs in lieu of workers offers them new opportunities of erudition, emerging and to progress as depending on employees in an establishment. Workers frequently understand that they want repeated development, learning as well as emerging novel skills so that they can progress in all means of their lives. The erudition as well as progressing in new means makes workers to be capable to select the assignments to handle, and they are also capable of rising to new adversities everyday as they realize their objectives, (Shutan, 2017). Career development as a non-fiscal reward is applied in impetus workers as well as refining their assurance to their everyday business in the establishments they work for.

Ravineet, et., al., (2019) carried a research on the impact of career development on competitive advantage of a firm. He used empirical analysis concerning the Indian IT Industry with the data of 1600 IT and ITeS companies published by Bombay Stock Exchange (BSE) and a sample of 50 Indian IT and ITeS enterprises. The researcher

concentrated on the effects of utilization of resources like Intangible assets, net fixed assets, and total assets. Observation of the results came out positively which showed that career development is very important on organizational performance. The researcher concluded that resources and capabilities assist the organization to enhance career development of workers and also gain competitive advantage, though inefficient utilization of resources and capabilities will lead to the organization being uncompetitive in today's market.

Additionally, the researcher suggested that the management should re-evaluate its organizational resources and capabilities and exploit them effectively and eliminate redundant or obsolete resources to enhance career development of workers. Also, the management should put more energy into making plenty of resources and capabilities which would assist them to achieve competitive advantage and keep pace with global swings.

Daniel (2019) did an investigation on the effects of human capital growth on organizational enactment in Trust Fund Pension Limited in Nigeria with a populace of 151 and a sample size of 110. He used a questionnaire as a tool for gathering data. He distributed 110 copies to the respondents and 80 copies were returned successfully without errors. A descriptive research method was adopted to analyse data and two hypotheses were examined with the help of Pearson's Moment Correlations Coefficient. The study's outcome showed the existence of a positive association connecting human capital growth as well as organizational enactment.

The researcher recommended further studies on this research that human resource management must ensure that there is a proper analysis, determination, as well as valuation of human capital requirements in an establishment that should guarantee the correct and categories of employees are designated in lieu of the training as well as development programs. Similarly, constant research should be done on the growth of an organizational environment that meets training, upgrading, as well as improving the skills of personnel by choosing the correct training as well as development agendas to be mapped out and executed so that it may keep the employee's breast with a development.

The researcher also recommended implementation of sufficient and operative system of rewarding employees who finishes their training successfully through elevation, progression, and status augmentation, in addition to improved responsibilities and this, will boost the employee's morale to participate in training and growth programs. The programs should be done continuously to increase the efficiency of staff which is very important in lieu of the sustainability as well as development of an organization.

Kaymaz, (2021) reconnoitered the challenges encountered in the execution of the conception of performance contracting in the public segment in Kenya. The research reviewed past literature on performance contracting ingenuities, and their execution as well as solicitations across varied situations in Kenya. The research revealed that there are several encounters incrustation and that satisfying recital expansions derivative from the PC is essential to enlightening public segment service delivery in Kenya and resolute exertions must be made to indoctrinate sustainability, while uninterruptedly filtering public assistances and at the same time dealing with the encounters. In examining the role of performance contracting in augmenting efficacy of enactment in the civil service in Kenya, (Kaymaz, 2021).

#### **2.2.4 Employee promotion and performance contracting**

Promotion refers to upward mobility of employees in organization this may be as a result of organization growth strategy or reward. Assortment systems in lieu of elevation take numerous procedures, comprising of interviews, solicitation blanks, recommences, oral considerations, written considerations, situational decision tests, impost hubs, disposition assessments, appraisal of preceding capability, (Armstrong, 2016). While the emphasis of literature on elevation systems is their legitimacy in envisaging enactment, another aspect to contemplate is the extent of time that a system shall remain to be applied. Over time, one would anticipate elevation as well as selection systems to be adapted or swapped totally.

The cost of overseeing performance testing is extensive, and management sporadically assesses a system's rationality and its capability to evaluate workers' approaches, credentials and discernment of business requirement add to those influences the fluctuations in administration personnel that predictably ensue, and it is -easy to see why even established arrangements shall ultimately be superfluous and anew scheme exasperated. In multifaceted administrations motivated by apathy as much as by variation, leaders pursue more than legitimacy when considering modification in assessment systems, and frequently depend on info that is more rational than scientific, (Kirai, & Kisang, 2016). It has similarly been established that leaders favor amorphous interviews over organized interviews albeit organized interviews offer better rationality. Administrative norms also distress decisions about assortment methods.

Kerlinger (2016) posited out that a culture, like a person, is a relatively dependable arrangement of thought as well as action and that in each ethos, a form of erudite actions shared to a specified people act somewhat similar to a pattern in the logic that contain foreseeable procedure in addition to gratification, it exist in entire erudite conduct besides, it occurs in a continuous form of revolution. Culture too may be described as an existence of individuals in

public, it encompasses societies as well as societies, and its mechanisms are linguistic, faith, gastronomy, communal behaviors, music, arts, (Ninomiya, 2017).

According to Eccles, (2016) asserted that education make the people to be discontented with the social milieu. The Implication is that once the educated gets dissatisfied with the situation obtainable in his environment, the person would begin to think of way of enhancing the right pattern for the benefit of everybody. According to Ezeh (2016), the children are taught how to behave in the society, to respect their parents, their elders and the habit of self-respect and the respect of other people's right in the society and learn to live peacefully with people from divergent ethnic groups and multi religious backgrounds.

According to Ezeh (2016), there is indeed a link that existed in the business culture as well as performance that meant the organizational ethos is an influential technique in lieu of organizational successes. Also, the researcher suggested that organizations should not emphasize only organizational cultures which increase organizational performance but emphasize also an organizational culture that enhances the general success of employees. The researcher further recommended that each organization should concentrate on the positive corporate ethos because culture has turned into a strategic tool in today's business that will help organizations to realize a modest advantage. Further, the researcher suggested that corporate ethos should be well associated with the organizational strategies. The gap approach may lead to a reduction in impetus as well as engagement on the part of the workers and, consequently, diminish worker retention. It has to be renowned that, in exacting, the way workers observe and experience the working as well as learning climate is found to be imperative in lieu of their retention, (Verheijen, 2015).

Workers' insights of what is just in a trying procedure and connected positive or negative decrees of that procedure grasp top bosses who are anxious about the insolence of candidates toward the exams .- they take, (Wanyama, 2018). "In the research, interviewees who believed encouraging insights about an establishment's techniques in lieu of choosing workers were more probable to see the business constructively and to report sturdier objectives to receive job proposals and endorse the manager to others. This is of actual apprehension in lieu of administrators who pursue advanced staffs but have partial funds. In a state intervention such as the one considered here, where workers possessions through interventions is partial, a positive insight of an agency can play an imperative part in appealing to endowed workers. There are other causes in lieu of the prominence on practicality in the assessment of assortment systems, (Bulawa, 2021).

In today's exertion surrounding which is high paced, there has been rumors that today's employees invest in deliberation how their exertion is recognized by their bosses, nevertheless, exertions on this have generally described as occasional as well as occasional (Recognition Rewards Enterprises, 2017). Deeprose (2019) argues suggested that distinguishing workers in an establishment causes an essential consequence on the efficiency of workers.

According to Uzonna (2019), one of the utmost effective means to inspire workers is to guarantee that they understand and appreciate the aims and goals of the company they work for. Managers need to support their teams by as they work towards achievement of these goals. This can be done through team building, enhanced communication in such a way that employees clearly understand the company objectives and the importance of feedback, realistic targets to work towards rewards and incentives so that the team feels valuable for positive contribution they make towards achieving goals, and job enrichment which is to build into jobs a higher sense of challenge and achievement. Job enrichment can be done by giving employees the freedom to participate in decision making, giving workers a sense of responsibility, and taking steps to make sure employees see how their efforts contribute to the final products and company goals.

Munyao, et, al., (2020) did an investigation on the effects of workers appreciation on the enactment of Africa Inland Church Theological Training Establishments in Kenya with a target population of 1221 and 120 respondents from the target population which was selected by the use of 10% rule. The questionnaire's response rate was 78.3% which was good. The outcome of the correlation analysis and regression analysis indicated a presence of positive correlation linking workers appreciation with organizational performance. The conclusions of this research indicated a positive effect existing between workers appreciation and organizational enactment. These researchers further advised leaders to set strategic direction as well as measurement of performance which is a requirement and not an option to survive in today's unpredictable business environment.

While the permanency of a system ought to be interrelated to its cogency, it is not easy to validate cogency in lieu of locations comprising a partial number of applicants and a reduced figure of elevations in a short retro of time. This is a mutual position in non-entrance level professional places as well as advanced-level administration locations. In lieu of this motive, it is not astounding to find an investigation portentous that applicant opinions of assortment objectivity have an affiliation to the approval in convention of numerous assortment approaches, (Aosa, 2020).

### 2.3 Summary and gaps to be filled

**Table 1: Research Gaps**

Author / Year	Objective	Methodology used by the study	Findings	Research gaps	Current study
Storey (2017)	The relationship between training and firm Performance in midsized UK companies	Critical review of literature	Proposed that, in the context of smaller firms, it is necessary to widen the concept of training to include education, training.	Focused on one variable training	The current study focuses on four variables of HRMP
Barringer et al. (2015)	Quantitative content analysis of the narrative descriptions of rapid growth firms and a comparison group of slow-growth companies	Case Study	Results demonstrated that employee incentives differentiated the rapid growth from the slow-growth firms.	The study focus was small business only	The current study focuses on a large petroleum firm
Benson et al. (2015)	Effect of corporate investment in tuition reimbursement programs on employee turnover in a large manufacturing company	Survey research design	Study results demonstrated that tuition reimbursement programs as well as reimbursement for employees to earn certificates and other credentials had an overall positive effect on turnover	Study findings not clear	The current study will focus on performance contracting
Brewster (2018)	The differences between the US and European HR management systems and performance	A case study research design	Found that training increase significantly from one side of the Atlantic to the other.	Studied in developed countries	The study will be conducted at Vivo energy in Kenya.
Letangule, and Letting (2017)	Effects of Performance Contract on Organization Performance: Given the impact of performance contracting on the operation and effectiveness of public sectors in Kenya	Descriptive research design	The findings revealed that performance contracting affected service quality efficiency, and consistency and employee creativity at the ministry of education.	Nonetheless, the study targeted the Ministry of education and not manufacturing firm	The on-going study will target the Vivo Energy to ascertain the influence of HRM practices.

Source: Researcher (2022)

### 2.4 Conceptual Framework

Independent Variables

Dependent Variable



Fig 1: Conceptual framework

### 2.5 Operationalization of Variables

Table 2: Operationalization of Variables

VARIABLES	INDICATORS	MEASUREMENT SCALE	TOOLS OF ANALYSIS
Employee's training	- Coaching -Mentorship	Employee Performance	Tables, Figures, Mean and SD
Employee compensation	- Salary -Recognition	Job satisfaction	Tables, Figures, Mean and SD
Performance appraisal	- Profit made -Communication	Employee Performance	Tables, Figures, Mean and SD
Employee promotion	- Job analysis - Selection	Selection systems	Tables, Figures, Mean and SD
Performance contracting	- Efficiency - Effectiveness	Efficiency and effectiveness of employees	Tables, Figures, Mean and SD

Employee's training- According to Dessler (2018) training procedure begins by defining training prerequisites. The training need exploration rest on whether you need to train a novel or present worker. Armstrong (2016) posited that, actual training lead to amended individual enactment in terms of productivity and similarly workers are capable of coping with varying setting. Training facilitates a worker to offer extraordinary level amenity to clients, ease accidents at workstation, yield high eminence goods therefore high sales to the establishments and in response the workers are capable of gaining greater return leading to better performance contracting to the employee.

Organizational practices and Human resource management practices affects competitive advantage in any firm, through its role in determining the skills and motivation of employees, (Bamford, 2018; Blomme, Van Rheede, and Tromp, 2019). It appears to be the primary concern of organization and human resource commitment to enhance employees' ultimate work experience and create a good work environment capable of attracting and retaining professional and skilled employees, (Tavitiyaman, et. al., 2017 and Tracy, 2018).

Employee compensation-Experiential studies on the affiliation amid Performance-related pay as well as establishment Enactment have mostly recognized a positive affiliation, but a developing body of experiential evidence proposing that it is not just emolument level that matters, but wage arrangement too, (Muthaura, 2018). Both Performance-founded compensation and merit-founded preferment can be regarded as elements in organizational inducement schemes that serve to encourage individual Performance and retention, (Malusu, 2017). Woodward's (2017) Push/Pull Theory as cited in Peptra-Mensah (2018) viewed that, the choice of career is connected with the factors that are present within an organization which to a greater or lesser extent make an employee or job seeker satisfied or dissatisfied with a particular job. That is, for a graduate to take a career or leave his present career there must be factors pulling/pushing him out.

Performance appraisal- The procedure of assessing and subsequently enthusiastically handling administrative and workers' recital so as to increase administrative efficacy is presently perceived as perilous to the growth as well as survival of establishments. Proper enactment assessment plans are considered to meet numerous administrative as well as individual desires. They deliver methodical decrees to backing of remuneration upsurges, elevations, relocations, relegations as well as dissolutions.

Employee promotion- Although the emphasis of literature on elevation schemes is their cogency in envisaging recital, alternative aspect to deliberate is the interval of time that a scheme shall endure to be used. Over time, one should anticipate elevation as well as assortment systems to be improved or changed totally. The price of overseeing performance analysis is significant, and running occasionally assesses a system's legitimacy and its aptitude to evaluate workers' approaches, credentials as well as insight of business prerequisite add to those impacting the variations in running workers that certainly ensue, and it is -easy to understand why even established schemes shall ultimately be rejected and anew system tried.

Rewards should be connected to those events as well as behaviors that indorse the accomplishment of the establishment. The reward scheme communicate to administrators and workers about what is imperative as well as esteemed by the firm, (Wilson, 2019). This association of administrative objectives with employee recognition generates a situation where both the firm as well as the worker can thrive, and where serious talent is established, preserved as well as reserved. The growing approval of the deployment of non-fiscal aids in establishments, with the growing fiscal waning, more establishments are mounting up to deliberate the usage of rewards that are not appreciated in terms of cash as a way of certifying that their workers toil in lieu of enhanced profits, (Kepner, 2020).

## 2.6 Chapter Summary

The chapter has theoretical framework, also discussion of variables which include, employee's training, employee compensation, performance appraisal and employee promotion. The next chapter presents the research methodology.

**Comment [10]:** Reduce to two-three pages. This is too lengthy.

## RESEARCH METHODOLOGY

### 3.0

~~This chapter explored the methodology that was used to carry out this research, that is, the study design, target population, sampling design, data collection instruments as well as procedures, the method of data analysis to be employed, research quality and ethical considerations while conducting the study.~~

### 3.1 Research Design

The research design refers to the overall strategy that you choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring there is effective address to the research problem. The study design in lieu of the research was a descriptive research design. A descriptive research is concerned with discovering the what, where as well as how of a phenomenon. According to Mugenda and Mugenda (2018), descriptive design is a procedure of amassing data towards answering queries concerning the present eminence of the topic of the investigation. The descriptive design was used in the investigation. The design was applied to define the physiognomies of the independent variables. This was suitable to acquire information regarding the current eminence of the phenomenon to designate what the contemporary state of affairs is with regard to the variable of the investigation. Kothari, (2015) posited that in descriptive design, the problem is organized as well as implicit a fact that Mugenda and Mugenda (2018) indicated that descriptive design is most ideal since it offers a report on stuffs as they really are.

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### 3.2 Target Population

A target population is the precise populace about which evidence is anticipated. Mugenda and Mugenda, (2018) describes the target population as a comprehensive set of individual circumstances or substances with some mutual characteristic to which the study wishes to generalize the outcome of the research. Vivo Energy Investment Limited has got many different branches countrywide and has many employees but the researcher targeted employees from Mombasa County branches. The target populace was 300 employees of Vivo Energy Investment Limited in Mombasa County. The populace was separated into three sets with diverse segments of top, middle as well as lower management. Total target populace was as follows:

**Table 3: Target Population**

Category	Target Population	Percentage
Top Management	40	13
Middle Management	60	20
Support Staff	200	67
<b>Total</b>	<b>300</b>	<b>100</b>

Source: Author, 2022

### 3.3 Sample and Sampling Technique

A sample design is a sure strategy in lieu of acquiring a sample from a certain populace. (Chandran, 2016). A sample frame was drawn from the target populace. Sampling is the action of choosing a small group of respondents or items from a target population in research work to take part in a research. (Kothari, 2018). The researcher applied stratified random sampling method in obtaining data. Kothari (2018) indicated that that a sample of at least between 10% and 30% is considered sufficiently representative for drawing a sample from. In this study, a sample of 30% of the employees was computed because the researcher found it representative. This yielded 90 respondents for the study. The target population was then sampled using simple random sampling technique. The proportions was based on the rank an employee held in the company as illustrated in table 4 below.

**Table 4: Sample Size**

Category	Frequency	%	Sample Size
Top Management	40	30	12
Middle Management	60	30	18
Support Staff	200	30	60
<b>Total</b>	<b>300</b>	<b>30</b>	<b>90</b>

Source: Author, 2022

### 3.4 Data Collection Instruments

Data collection is the process of gathering and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes. In this work, the researcher developed data collection tools for primary data. The questionnaire, a collection tool of data to which the respondent react in written form was designed by the researcher. Questionnaires were preferable because they are easy and convenient thus saving time. It contained questions in word format that were distributed to the respondents. General information was covered in the first part while the second part captured questions related to the purposes of the investigation. A 5-point likert scale structural questionnaire was applied. Respondents' degree of agreement or disagreement to a particular statement was expressed and this enabled the researcher to scale attitude of respondents.

### 3.5. Pilot Study

Pilot study is described by various authors as an exercise that ensures that errors are restricted at a very little cost. The questionnaires was subjected to a pilot test to ensure content reliability and validity. The pilot study was

**Comment [11]:** Be precise on the instrument used and how it was administered on the respondents. Avoid preambles and definitions in explaining your methodology.

conducted on ten respondents from other oil firms and validity and reliability was tested. This study was conducted after obtaining approval from the university and the permission from the operation manager from Vivo energy to distribute the questionnaires to the participants, (Creswell & Vicki, 2012).

**3.5.1 Validity:** The extent level to which research tools measure what it is required to measure (Creswell, 2011). It shows the degree to which empirical measure the concept accurately. The researcher used sound research tools. Construct validity used to ensure that the tool measures concept it was required to measure. Validity indicates that degree to which the instrument measures the contrasts under investigation (Mugenda and Mugenda, 2003). Also validity indicates the degree to which scores are consistent with the objective of measurement and free of measurement errors. The researcher also sought for experts' in this case the supervisor and experts examined and gave their opinions. This enabled the researcher to assess the quality of the piloted questionnaires which enabled this work to define the constancy of responses and make any adjustment as may be required. Simple words were used to ensure easy understanding by respondents.

**3.5.2 Reliability:** Level to which research instruments in a study gives reliable data on numerous repeated tests, (Mugenda & Mugenda, 2003). It is the trend towards consistency found in repeated measurements. The researcher constructed questionnaires' that were given to the respondents who are not subjected to this study. The same questionnaires were managed to the same collection of subjects with a two weeks recess meaning a test re-testing method was used on the instruments. The investigator's supervisor assisted in ensuring that the instruments were consistent to the set goals as well as content area under study. His suggestions and comments were applied as a foundation to alter the study items and make them adaptable to the research. Based on the feedback from the professional, the wording of the instruments were appropriately modified. Cronbach's Alpha was calculated by correlating the score for each scale item (variable) with the total score for each respondent to the test and comparing that to the variance of the total score. Construct testing for reliability was attained by calculating Cronbach's Alpha. The accepted reliability score level is supposed to be above 0.7. This survey helped the researcher to ensure that respondents can answer in the best possible manner.

**Comment [12]:** Summarise to a sentence or two

### 3.6 Data Collection Procedure.

Self-administered questionnaire that was dispersed to the respondents was used to amass primary data. The researcher later collected the filled questionnaires for analysis. Permission was sought from the respondents to let the researcher carry out the test. The interviews were scheduled and a guideline for them drafted prior to conducting interviews.

### 3.7 Data Analysis and Presentation

To test how Human Resource Practices and Performance Contracting in the Petroleum industry in Kenya are related, a linear multiple regression test was conducted. Coefficient of multiple regressions was calculated to establish the proportion of variation in return on assets clarified by selected ratios. After data gathering, the data was cleaned as well as coded. Statistical package in lieu of social sciences (SPSS) was applied as an aid data analysis. This is because the software permits a wide range of analysis for most statistical as well as graphical data and its analysis. Content analysis was applied to analyze qualitative data. This analysis allowed grouping of data into codes, summarizing these into categories and even tabulate certain data to calculate frequency of certain objectives.

The research applied the regression analysis to institute the affiliation amid the dependent as well as the independent variables. Further inferential statistics, correlation and regression was done. The regression model that was tested is presented as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \epsilon$$

Where:

Y = Performance Contracting

$\beta_0$  = Constant Term

$\beta_1$  = Beta coefficients

X1 = Employee's training

X2 = Employee compensation

X3 = Performance appraisal

X4 = Employee promotion

**Comment [13]:** summarise to one or two sentences

### 3.8 Ethical Considerations

There are many ethical considerations to be taken into considerations in any study. For the purpose of this research, the ethical issues that were observed were as follows:

#### 3.8.1 Confidentiality

The researcher was not supposed to misuse the information discovered, she had to protect the rights of respondent in the study as well as their privacy and sensitivity.

### 3.8.2 Truthful

The researcher had to be truthful and explained to the respondents what they needed to know and ensured them that all information given on trust should be obtained through respondents consent to participate by explaining the reason of carrying out the study. The researcher sought letters of approval from Management University of Africa and NASCOSTI.

### 3.9 Chapter Summary

This section contained Overview, Research Design, Target Population, Sample as well as Sampling Technique, Data Collection Instruments, Pilot Study, Validity of the study, Reliability of the research, Data Collection Procedure, Data Analysis and Presentation as well as Ethical Considerations.

## RESEARCH FINDINGS AND DISCUSSION

### 4.0

The chapter first captured response rate, reliability and validity in advance of the demographics of participants and then followed by correlation analysis as well as regression analysis. This chapter provided analysis as well as presentation of the findings and interpretation. Analysis was done with the help of SPSS version 21 as well as Microsoft's excel version 2016. Descriptive statistics was used to examine the Human Resource Practices and Performance Contracting in the Petroleum industry in Kenya, a case of vivo energy investment, Mombasa County. To test how fit as well as reliability of the regression model; an analysis of variance was applied. The chapter finalizes with the discussion on findings while referring to empirical literature.

### 4.1 Presentation of Research Findings

This part of the research examined the research presentations, interpretations and discussion according to the research objectives.

#### 4.1.1 Response Rate

The response rate is the number of respondents who answered the questionnaires separated by the sum of individuals in the sample and it is always expressed in the percentage form. The research targeted 90 respondents of which 60 of the questionnaires were attended to with accurate level of 67%. Mugenda and Mugenda (2008) indicated that a response rate of 50% is satisfactory, 60% is good and above 70% is excellent. Consequently, the response rate of 67% was considered good to analyse the Human Resource Practices and Performance Contracting in the Petroleum industry.

#### 4.1.2 Reliability of the data

Reliability result showed that employee promotion had an acceptable reliability of 0.904, performance appraisal had an acceptable reliability of 0.757, employee's training had an acceptable reliability of 0.750, and employee compensation had an acceptable reliability of 0.790. Lee Cronbach indicated that the acceptable reliability threshold is above 0.70. Table 5 presents the reliability results.

Table 5: Reliability

Variable	Number of items	Cronbach's Alpha	Decision
Employee's training	4	.750	Acceptable
Employee compensation	5	.790	Acceptable
Performance appraisal	4	.757	Acceptable

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Employee promotion	3	.904	Acceptable
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**Research Data (2022)**

**4.1.3 Validity of the data**

The research instruments were pretested in the investigation expanse. The designated respondents were not encompassed in the research since they were similar to the samples that were used in the actual study. The feedback validated the instruments in readiness for the study.

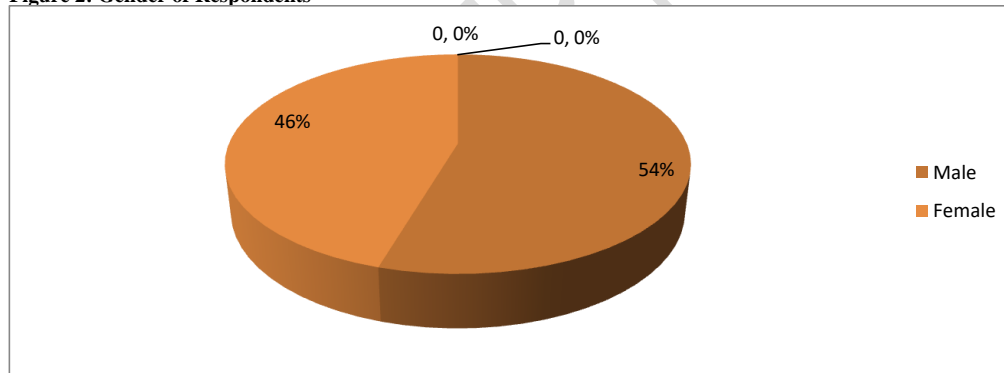
**4.1.4 Gender of the respondents**

The respondents were requested to show their gender and the results are as follows;

**Table 6: Respondents gender**

Gender of the Respondents	No of Respondents	Percentage %
Male	32	54
Female	28	46
<b>Total</b>	<b>60</b>	<b>100</b>

**Figure 2: Gender of Respondents**



The respondents who were involved in the research study were requested to state their gender as shown in table 6 and the researcher found out that out of 44 respondents, 54% were male, while 46% were female. It implies that male respondents were more than female respondents. It posited that males were more conversant with performance contracting issues than females.

**4.1.5 Work Duration**

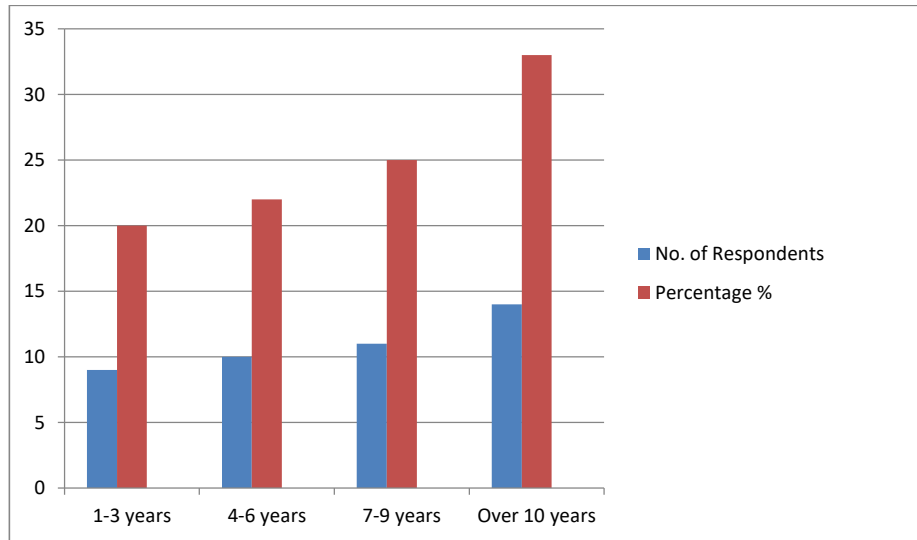
The respondents were asked to state their service duration in the enterprise, table 7 below shows the following results.

**Table 7: Work Duration**

Work Duration	No. of Respondents	Percentage %
1-3 years	12	20
4-6 years	13	22
7-9 years	15	25
Over 10	20	33

<b>Total</b>	<b>60</b>	<b>100</b>
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**Figure 3: Work Duration by the Respondents**



According to the data collected by the researcher, 20% of the respondents point out that their working experience was between 1-3 years, 22% of the respondents signposted that they had working experience of amid 4 and 6 years, 25% of the respondents designated that they have a working experience of between 7 and 9 years and 33% indicated that they have a working experience for over 10 years. From researcher found out that the highest percentage of workers in the enterprise have a working experience of over 10 years in the establishment in lieu of over 10 years whereas the least with 20% had an operational know-how of amid 1-3 years. This infers that, most of the respondents have a working experience of over 10 years. Meaning that the responses ~~were are~~ credible in terms of experiences and also shows that they ~~were are~~ of great help to the study on the issues of performance contracting since they have been in the business for a long time.

#### 4.1.6 Age of respondents

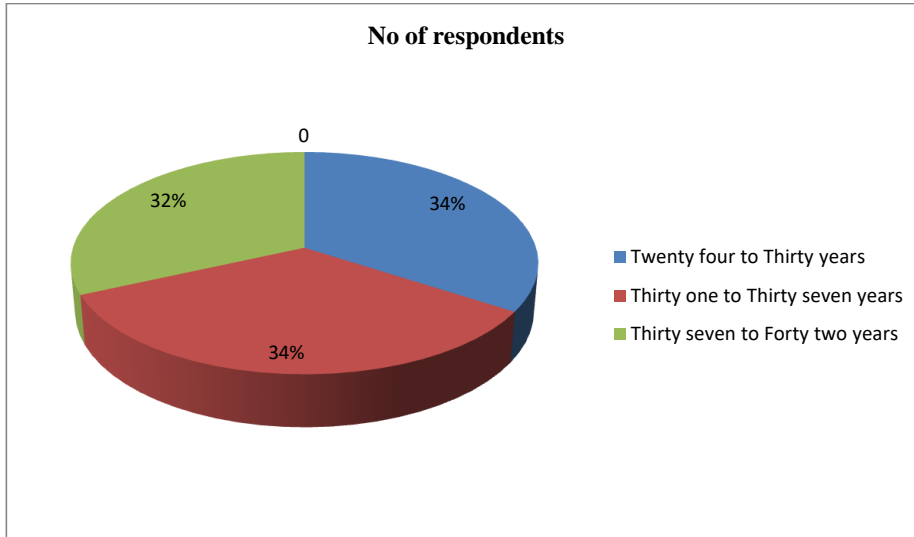
The selected respondents from various departments in the organization were asked to state their age brackets. Table 8 below shows the age dissemination of the respondents.

**Comment [14]:** Analyse your tables in reported speech.

**Table 8 Ages of the Respondents**

Age	No of respondents	Percentage %
Twenty four to Thirty years	20	34
Thirty one to Thirty seven years	20	34
Thirty eight and above	19	32
<b>Total</b>	<b>60</b>	<b>100</b>

**Figure 4: Respondents Age**



The respondents indicated their age bracket and their results are as shown in table 4.4, the analyzed data shows that out of 60 respondents who attended the questionnaires, 34% were between twenty four and thirty years, 34% of the respondents were between thirty to thirty six years, while 32% of the respondents fell between thirty eight above years and above of age. It implies that most of the respondents were young and energetic and therefore could understand the Human Resource Practices and Performance Contracting in the organization.

#### 4.1.7 Effects of employee's training on performance contracting at vivo energy investment, Mombasa County

In order to investigate the effect of employee's training on performance contracting, the study used a Likert scale in which 1,2,3,4, and 5 represented continuum scores for 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree respectively. These enabled the tabulation and interpretation of the responses from the research instrument. This is well elaborated in the table and narratives below which show the respondents and the statistics.

**Table 9: Effects of employee's training on performance contracting**

Statement on effect of employee's training	SD	D	N	A	SA
Training offered at the job improves my performance	8%	23%	29%	28%	12%
Training is delivered in a way I can easily understand	12%	19%	14%	35%	10%
The management provide employee with counselling Training is evaluated by management after its offered	15%	22%	16%	33%	14%
Management's support for my efforts to improve my weaknesses	9%	15%	20%	38%	18%
	10%	30%	25%	20%	15%

Regarding the first statement; 'Training offered at the job improves my performance; only 12% of the respondents strongly agreed and 28% just agreed to the statement. This gives a total of 40% supportive to the statement as compared to a total of only 31% (8+23%) not supportive of the statement. 29% of the respondents were neutral. Thus the percentages of the respondents that indicated that training offered at the job improves my performance were more than those which had contrary opinion.

Regarding the second statement that ‘training is delivered in a way I can easily understand’ only 10% strongly agreed and 35% just agreed to the statement. This gives a total of 45% supportive to the statement as compared to a total of only 31% (12%+19%) not supportive of the statement. 14% were neutral. Thus the percentages of the respondents that indicated that training is delivered in a way I can easily understand’ were fewer than those who had contrary opinion.

About the statement that the management provide employee with counselling; 14% strongly agreed and 33% agreed to the statement. This gives a total of 47% supportive to the statement as compared to a total of 37% (15%+22%) not supportive of the statement while 16% were neutral. Thus the percentages of the respondents that indicated that the management provide employee with counselling were more than those who had contrary opinion.

Regarding the statement on the ‘training is evaluated by management after its offered’, 18% of the respondents strongly agreed and 38% of the respondents agreed to the statement. This means, a total of 56% (18%+38%) of the respondents were supportive to the respondents as equated to 9% of the respondents who strongly disagreed with the statement and 15% disagreed with the statement. It means that 24% (9% + 15%) disagreed with the statement while 20% of the respondents were neutral. It means that the number of the respondents who agreed with the statement was bigger than the one with contrary opinion.

About the statement on the ‘management’s support for my efforts to improve my weaknesses, 15% of the respondents strongly agreed, 20% agreed, 10% of the respondents strongly disagreed with the declaration, 15% of the respondents differed with the statement whereas 18% of the respondents were neutral. The findings concur with those of Korir, (2018) who indicated that training goals is to upsurge enactment standards as well as efficacy by varying people’s comporment in an establishment, the procedure of training comprises of expansion, analysis, design, implementation as well as assessment.

Comment [15]: Reduce. This is too lengthy

#### 4.1.8 Effect of employee compensation on performance contracting at vivo energy investment, Mombasa County.

The investigation on the effect of employee compensation on performance contracting at vivo energy investment, Mombasa County entailed the use of a Likert scale in which 1,2,3,4, and 5 represented continuum scores for *Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree respectively*. Through these, tabulation and interpretation of the responses from the research instrument was possible. They show the degree at which the respondents agreed or disagreed with the statements put forth on the effect of employee compensation on performance contracting at vivo energy investment, Mombasa County. This is well elaborated in the table and narratives below which show the respondents and the statistics.

**Table 10: Effect of employee compensation on performance contracting**

Statement on effect of employee compensation	SD	D	N	A	SA
There is a gap in salaries between employees in the organization	10%	18%	10%	40%	22%
Recognition should be given for creative suggestions that improve performance	8%	23%	29%	28%	12%
Non-financial incentives are offered by the company	12%	19%	24%	35%	10%
Allowances and overtime are paid on extra work	14%	16%	12%	40%	18%
Our salary is fixed on the basis of performance	29%	40%	10%	15%	6%

Regarding the statement on ‘there is a gap in salaries between employees in the organization, the result shows that 22% strongly agreed and 40% just agreed to the statement. This gives a total of 62% supportive to the statement as compared to a total of only 28% (10%+18%) not supportive of the statement while 10% were neutral. Thus, most of the respondents that believe that there is a gap in salaries between employees in the organization were more compared to those who disagreed with the statement.

Regarding the statement that ‘Recognition should be given for creative suggestions that improve performance’, 12% of the respondents strongly agreed and 28% agreed to the statement. This gives a total of 40% supportive to the statement as compared to a total of 31% (8%+23%) not supportive to the statement while 29% were neutral. Thus

the percentage of the respondents that believe that recognition should be given for creative suggestions that improve performance was slightly higher than those with difference opinion.

Regarding the statement on 'non-financial incentives are offered by the company', 10% strongly agreed and 35% just agreed to the statement. This gives a total of 45% supportive to the statement as compared to a total of only 31% (12%+19%) not supportive of the statement while 14% were neutral. Thus the percentage of the respondents who believe that non-financial incentives are offered by the company' were slightly higher than those of contrary opinion.

18% of the respondents strongly agreed that allowances and overtime are paid on extra work, 40% of the respondents agreed that allowances and overtime are paid on extra work, 14% of the respondents strongly disagreed that allowances and overtime are paid on extra work while 12% of the respondents were neutral. 58% of the respondents supported the statement that allowances and overtime are paid on extra work.

6% of the respondents strongly agreed that our salary is fixed on the basis of performance, 15% of the respondents agreed with the respondents, 29% of the respondents strongly disagreed with the statement, 40% of the respondents disagreed whereas 10% of the respondents were neutral. The findings concur with the findings of Fey et al. (2000) who indicated that salary level was expressively connected with firm performance in lieu of both managers as well as non-managers. Fey et al. (2000) also posited out that promoting managers founded on merit was positively connected with firm enactment whereas to be effective, reparation practices as well as dogmas must be affiliated with administrative purposes.

#### 4.1.9 Effects of performance appraisal on performance contracting at vivo energy investment, Mombasa County.

In order to investigate the effects of performance appraisal on performance contracting at vivo energy investment, the study used a likert scale in which 1,2,3,4, and 5 represented continuum scores for *Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree respectively*. These enabled the tabulation and interpretation of the responses from the research instrument. This is well elaborated in the table and narratives below which show the respondents and the statistics.

**Table 11: Effects of performance appraisal on performance contracting**

Statement on effects of performance appraisal	SD	D	N	A	SA
My appraiser helps me to understand the process used to evaluate and rate my Performance	8%	23%	29%	26%	7%
The performance appraisal review discussion is the only time I get feedback about my performance	12%	19%	14%	35%	10%
Employees are provided with feedbacks to help improve their performance	15%	22%	16%	33%	14%
After performance appraisal results are communicated back Organization have individual performance level projection	3%	19%	14%	47%	17%
	35%	20%	15%	20%	10%

The first statement was 'my evaluator aids me to comprehend the procedure applied to appraise and rate my Performance'. 7% of the respondents strongly agreed and 26% agreed to the statement. This gives a total of 33% supportive to the statement as compared to a total of 31% (13%+8%) not supportive to the statement while 29% were neutral. Thus the percentage that supported the statement is almost equal to the one that did not support.

Regarding the second statement; 'the performance evaluation review discussion is the only time I get feedback about my recital', 10% of the respondents strongly agreed and 35% agreed to the statement. This gives a total of 45% supportive to the statement as compared to a total of 31% (12%+19%) not supportive of the statement while 24% were neutral. Thus the people that supported the statement is higher than the one that did not support.

On inquiring if workers are given responses to aid them in enhancing their recital, 14% of the respondents strongly agreed and 33% agreed to the statement. This gives a total of 47% supportive to the statement as compared to a total of only 22% (3%+19%) not supportive of the statement while 14% were neutral. Thus the percentage of the respondents that believe that employees are provided with feedbacks to help improve their performance is more than that which believe otherwise.

Regarding the statement 'after performance appraisal results are communicated back to employees'; 17% strongly agreed and 47% just agreed to the statement. This gives a total of 64% supportive to the statement as compared to a total of only 22% (3%+19%) not supportive of the statement while 14% were neutral. Thus the percentage of the respondents that believe that after performance appraisal results are communicated back to employees was very

significant compared to those who had contrary opinion. 10% of the respondents strongly agreed that organization have individual performance level projection, 20% of the respondents agreed that organization have individual performance level projection, 35% of the respondents strongly disagreed that organization have individual performance level projection 20% disagreed with the statement while 15% of the respondents were neutral. The findings concur with those of Bamberger, (2018) who indicated that proper performance assessment dogmas are considered to meet numerous managerial as well as individual essentials. They offer methodical decrees to back wage upsurges, elevations, transferals, demotions as well as terminations.

**4.1.10 Effect of employee promotion on performance contracting at vivo energy investment, Mombasa County**

The investigation of the effect of employee promotion on performance contracting at vivo energy investment entailed the use of a likert scale in which 1,2,3,4, and 5 represented continuum scores for *Strongly Disagree, Disagree, neutral, Agree and Strongly Agree respectively*. Through these, tabulation and interpretation of the responses from the research instrument was possible. They show the range at which the respondents agreed or disagreed with the declarations put forth. This is well elaborated in the table and narratives below which show the respondents and the statistics.

**Table 12: Effect of employee promotion on performance contracting at vivo energy investment**

Statement on the effect of employee promotion	SD	D	N	A	SA
Employees are certain of the next position up the ladder	6%	18%	21%	42%	13%
Promotion is purely based on performance	16%	32%	11%	27%	14%
Employees are certain of the next position up the ladder	20%	32%	16%	23%	9%
The firm has a systematic program that identifies and develop employee skills	16%	18%	28%	36%	2%
The company have a structured system of promoting employees	14%	21%	18%	25%	22%

Concerning the statement ‘Workers are confident of the next position up the ladder’, 13% strongly agreed and 42% just agreed, giving a total of 58% of those who supported the statement, 6% strongly agreed and 18% disagreed with statement, giving a total of 24% of those who had contrary opinion regarding the statement while 21% of the respondents were neutral .

Regarding the statement ‘Promotion is purely based on performance’, 14% strongly agreed with the statement, 27% agreed to the statement, giving a total of 41% approval of the statement. 16% strongly disagreed with the statement and 32% disagreed with the statement, giving a total of 50% of the respondents who disagreed with the statement while 11% of the respondents were neutral.

In regard to the statement ‘Workers are convinced of the next position up the ladder’, 9% strongly agreed and 23% agreed with the statement, giving a total of 32% approving the statement. But 20% strongly disagreed with the statement and 32% disagreed with the statement giving a total of 52% who had contrary opinion while 16% were neutral.

Regarding the statement that ‘The organization has a methodical program that recognizes as well as improves workers’ abilities’, 2% of the respondents strongly agreed with the declaration, 36% of the respondents agreed with the respondents, 16% of the respondents strongly disagreed with the statement, 18% of the respondents disagreed with the statement while 28% were neutral.

22% of the respondents strongly agreed that ‘the company have a structured system of promoting employees’, 25% of the respondents agreed with the statement, 14% of the respondents strongly disagreed with the statement, 21% of the respondents disagreed with the declaration whereas 18% of the respondents were neutral. The findings concur with those of Wanyama, (2018), who indicated that applicants who held positive insights about an establishment’s way in lieu of choosing workers were more probable to view the establishment auspiciously as well as reporting stronger objectives to receive job proposals as well as indorsing the proprietor to others. This is of exacting apprehension in lieu of leaders who pursue high-level workers but have inadequate resources.

**4.1.11 Correlation Results**

Correlation analysis is a technique used to establish how variables are associated with one another. Correlation matrix was constructed to show association between independent and dependent variables. Table 13 presents the outcomes of the correlation investigation.

**Table 13: Correlation Matrix**

Variables		Performance	Training	Comptn	P. Apr	Promtn
Performance	Pearson Correlation	1				
	Sig. (2-tailed)					
Training	Pearson Correlation	.033	1			
	Sig. (2-tailed)	.591				
Comptn	Pearson Correlation	.203**	-.067	1		
	Sig. (2-tailed)	.001	.277			
P. Apr	Pearson Correlation	.075	-.025	.330**	1	
	Sig. (2-tailed)	.224	.685	.000		
Promtn	Pearson Correlation	.230**	.144*	.689**	.278**	1
	Sig. (2-tailed)	.000	.019	.000	.000	
N		60	60	60	60	60

\*\* . Correlation is significant at the 0.01 level (2-tailed). \* . Correlation is significant at the 0.05 level (2-tailed).

#### Research Data (2022)

The result shows that there is an optimistic correlation amid each pair of independent variable. The correlation between the pairs is moderate and significant at .05 significant levels. This indicates that the independent variables measure the same construct that is of performance contracting. This forms the other strength of this study.

The correlation between the independent variables (employee's training, employee compensation, and performance appraisal and employee promotion) and the dependent variable (performance contracting) results shows that all are positive and significant. In particular, employee's training is positively and significantly correlated ( $r=.033$ ,  $p<.05$ ). Similarly, employee compensation ( $r=.203$ ,  $p<.05$ ), performance appraisal ( $r=.075$ ,  $p<.05$ ), and employee promotion ( $r=.230$ ,  $p<.05$ ) are positively and significantly correlated with performance contracting. A regression model was assessed that links Human Resource Practices and Performance Contracting. In the table above, there are some figures (with no stars) whose relationship with Performance Contracting in the Petroleum industry is not significant. The regression result is presented in the next section.

#### 4.1.12 Regression analysis results

**Table 14: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.518 <sup>a</sup>	.268	.260	.747

a. Predictors: (Constant), employee's training, employee compensation, performance appraisal and employee promotion.

#### Research Data (2022)

The model summary results in table 14 indicate that the unadjusted R square values of .518. This is the coefficient of determination which implies that the set of independent variables in this study accounts for 52% of variations in the performance contracting in the petroleum industry. The remaining percentage (48%) is accounted for other variables outside the model. The result indicates that knowledge and information regarding the independent variables provides a great proportion of information regarding performance contracting in the petroleum industry in Kenya. ANOVA results in table 14 assessed the model fitness.

**Table 15: ANOVA**

Model	Sum of Squares	Df	Mean of Square	F	Sig.
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1	Regression	13.221	3	17.892	32.048	.000 <sup>b</sup>
	Residual	6.864	57	.430		
	Total	20.085	60			

a. Dependent Variable: Performance

b. Predictors: (Constant), training, compensation, performance appraisal, employee promotion

#### Research Data (2022)

The ANOVA result shows that the F\_ ratio is 32.048 with a corresponding p-value of .000. This indicates that the model is fit. The predicted model connecting the Human Resource Practices (employee's training, employee compensation, performance appraisal and employee promotion) to performance contracting at vivo energy investment is a good model. The regression coefficients of the variables in the model are as shown in table 15

**Table 16: Coefficient of determination**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.374	.373		6.368	.000
	Training	.444	.067	.375	6.586	.000
	Compensation	.101	.044	.129	2.324	.021
	Appraisal	.612	.181	.182	3.389	.001
	Promotion	.104	.036	.153	2.906	.004

a. Dependent Variable: Performance contracting

#### Research Data (2022)

The result in table 15 indicates the regression coefficients of the independent variables (and the constant). The result shows that employee's training has a positive significant influence on the performance contracting ( $\beta=.444$ ,  $p=.000$ ), employee compensation have a significant positive influence on performance contracting ( $\beta=.101$ ,  $p=.000$ ), performance appraisal positively and significantly influence the performance contracting, ( $\beta=.612$ ,  $p=.021$ ). The employee promotion has a significant influence on performance contracting ( $\beta=.104$ ,  $p=.000$ ). The regression equation was:

The regression model of

$$Y = 2.374 + 0.444X_1 + 0.101X_2 + 0.612X_3 + 0.104X_4$$

Where;

Y = the dependent variable (performance contracting)

$X_1$  = Employee's training,

$X_2$  = Employee compensation,

$X_3$  = Performance appraisal,

$X_4$  = Employee promotion.

#### 4.2 Limitations of the study

**4.2.1 Inadequate co-operation-** The researcher was limited by reluctance of some of respondent to complete questionnaires promptly but some did not attend to them. This reduced respondents who answered the questions. However, respondents were informed about potential benefits of the investigation to them as well as the researcher.

**4.2.2 Confidentiality and disclosure-** Every business has a fear of disclosure of its business tasks to any other party which may leak the same to the competitors. This made the most of the resource persons, especially in the managerial level, to have a perception that the information they gave could disclose some privacy aspects. This made them hold some information for such fear.

#### 4.2.3 Inadequate response

The enterprise found it hard to give attention to a researcher in preference of customers who are always frequenting to their organization. The researcher found it a challenge in getting the needful information about the study. The researcher visited them when they were not busy.

#### 4.3 Chapter summary

This chapter presents the outcomes of the investigation. The demographic information includes the gender, age, level of education, as well as the working experience. The outcome demonstrate that there is a positive correlation amid each pair of independent variable. The correlation between the pairs is moderate and significant at .05 significant levels. This indicates that the independent variables measure the same construct that is of performance

contracting. This forms the other strength of this study. The correlation between the independent variables (employee's training, employee compensation, performance appraisal and employee promotion) and the dependent variable (performance contracting) results shows that all are positive and significant. The next chapter confers the summary of findings, conclusion as well as recommendations from the study findings.

## SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

### 5.0

This chapter presents the summary of the study. The key conclusions drawn concerning the study objectives are also presented. Finally, recommendations were made for both policy and recommendations for further research.

#### 5.1 Summary of Findings

The research was guided by the following research variables: effect of employee's training on performance contracting at vivo energy investment, the effect of employee compensation on performance contracting at vivo energy investment, the effect of performance appraisal on performance contracting at vivo energy investment and the effect employee promotion on performance contracting at vivo energy investment while Performance Contracting was the dependent variable. The research was carried out using primary data. Surveys were used in lieu of data assortment while the data was analyzed using descriptive statistics and presented in the form of tables as well as figures.

Numerous expectations are made about variables throughout numerical tests. This was to certify that the results are worth using in decision making. Arithmetic processes require that the supposition of ordinariness is test. It aids to confirm whether the data follows a regular distribution or not. If the normalcy is not attained, the regression analysis in lieu of goodness of fit, the results might not depict the real picture relationship amongst the variables. In this research the core constancy of the data collection tools was tested via Cronbach's alpha Test. Descriptive measures involved mean as well as standard deviation. Mean is a measure of central tendency used to designate the most distinctive value in a set of values. Standard deviation displays how far the distribution is from the mean.

##### 5.1.1 Effect of employee's training on performance contracting

Operative training lead to better the recital in production and similarly, workers are capable of coping with varying milieu. Training allows a worker to offer great amenity to clients, decrease calamities at workstation, yielding high quality goods therefore high deals to the firm and in response the worker is capable of gaining greater incentive leading to superior performance contracting to the employee. Consequently the respondents indicated that training duplicates activities that are prearranged to affect the competence as well as stimulation of workers. The respondents indicated that employee training has affirmative influence on performance contracting; for instance, increasing output where managers as well as workers contributed their enactment via employee training and share the benefits from training. Employee's training is positively and significantly correlated ( $r=.033$ ,  $p<.05$ ). The findings concur with those of Korir, (2018) who indicated that training goals is to upsurge enactment standards as well as efficacy by varying people's comportment in an establishment, the procedure of training comprises of expansion, analysis, design, implementation as well as assessment.

##### 5.1.2 Effect of employee compensation on performance contracting

Performance-founded compensation and merit-founded preferment can be regarded as elements in organizational inducement schemes that embolden individual recital as well as retaining. The rapport amid two human resource practices dependence on human investment as well as the organization's wage edifice with the usage of non-monetary processes in top leaders 'gratuity reparation contracts. Outcomes demonstrated that this affiliation is moderated by the establishment's wage arrangement. Specifically, the affiliation was stronger in organizations that had engaged a classified wage structure. These businesses similarly have had an upper possibility of depending on human resource procedures. Outcomes exhibited that greater wage was linked with superior Recital; nevertheless, the effects seemed to be wavy. The investigators accentuated the prominence of an integrative tactic to making decisions concerning payment. Employee compensation have a significant positive influence on performance contracting ( $\beta=.101$ ,  $p=.000$ ). The findings concur with the findings of Fey et al. (2000) who indicated that salary level was expressively connected with firm performance in lieu of both managers as well as non-managers. Fey et al. (2000) also posited out that promoting managers founded on merit was positively connected with firm enactment whereas to be effective, reparation practices as well as dogmas must be affiliated with administrative purposes.

##### 5.1.3 Effect of performance appraisal on performance contracting

They established that recital evaluation has a rapport with worker recital at vivo energy investment in Mombasa Kenya. It was later revealed that there is an actual great level of objective scenery at every single performance appraisal at vivo energy investment in Mombasa Kenya where these firms set objectives at all recital evaluation. The

evaluators' aid staffs comprehend the procedure applied to evaluate as well as evaluating their presentation though the recital assess dialogue is the merely time the corporations develop rejoinders about workers recital. The research revealed that the workers are get feedback to aid them develop their recital. Particularly, there is high recital assessment at vivo energy investment in Mombasa Kenya which enhances the workers' enactment of these establishments. Performance appraisal positively and significantly influence the performance contracting, ( $\beta=.612$ ,  $p=.021$ ). The findings concur with those of Bamberger, (2018) who indicated that proper performance assessment dogmas are considered to meet numerous managerial as well as individual essentials. They offer methodical decrees to back wage upsurges, elevations, transferals, demotions as well as terminations.

#### **5.1.4 Effect employee promotion on performance contracting**

The study found that development of employees significantly affects employee performance at vivo energy investment in Mombasa Kenya and they have planned means of promoting her workers which concentrates on profession growth as a protuberant aspect moving workers performance. Accordingly, the respondents indicated that they are tremendously confident of the ensuing position up the ranking since elevation is virtuously based on performance and companies have methodical program in lieu of classifying as well as emerging worker abilities. The employee promotion has a significant influence on performance contracting ( $\beta=.104$ ,  $p=.000$ ). The findings concur with those of Wanyama, 2018), who indicated that applicants who held positive insights about an establishment's way in lieu of choosing workers were more probable to view the establishment auspiciously as well as reporting stronger objectives to receive job proposals as well as indorsing the proprietor to others. This is of exacting apprehension in lieu of leaders who pursue high-level workers but have inadequate resources.

#### **5.2 Recommendations**

The research made correlated policy commendation as informed through the findings. To begin with, the research commends that vivo energy investment ought to edifice and assess their recital evaluation dogma to comprise their support workers (low level staff) through reps into the performance contracting team. These reps are dynamic in lieu of apprising the recital contracting team on disputes bedeviling the workers as it similarly makes the staffs evidently comprehend the appraisal procedure.

Inclusion of the workers shall similarly issue the tautness that forms amid the diverse echelons of workers in establishments and therefore make favorable performance appraisal procedure. Furthermore, vivo energy investment ought to include in their individual prizes an operative incentive administration in lieu of safeguarding efficacy as well as impartiality in their remuneration system. Such a system must intensely perceive the diverse expanses work impartially. Therefore, the employee, cleaners and the alike must be handled similar to the high-ranking monetary leaders through gratifying, thirdly, vivo energy investment must increase their training comprise endowment of educational training backing in lieu of their workers.

Vivo energy investment must offer their workers to correspondingly obtain academic in addition to proficient training via receiving sufficient bond in lieu of training and even funding. Consequently, training must be connected with peculiar evolution as well as expansion. Finally, the research commends in profession progress, vivo energy investment must plan and improve a profession progress strategy that touches all parts of work comprising those who appear to have stretched an impasse for example the primary school drop outs. There ought to be equivalent likelihoods of emerging and building workers' profession.

#### **5.3 Conclusion**

Based on the research outcomes, the investigator came up with conclusions on the method wherein human resources practices relates to performance contracting. The research concludes that there is affirmative result of performance appraisal on performance contracting at vivo energy investment in Kenya. The performance appraisal is essential in lieu of aiding staffs comprehend the procedure applied to assess as well as rating their recital, helping the establishment to get feedback about workers' recital and offering workers with feedback which benefits workers in enlightening their recital. It is similarly concluded that employee promotion has an effect on employee performance at Vivo energy investment in Kenya which is established on the firms giving sufficient inducements to individual/teams in lieu of safeguarding adequate personal prizes to augment workers' recital.

Vivo energy investment ought to upsurge the echelons of individual prizes by gratifying workers with leisure, wages, salaries on workers' recital, identifying worker's inventive offers, and escalating workers recital by bestowing prizes with associated credential on outstanding recital. The study findings leading to conclusion that employee training at vivo energy investment in Mombasa Kenya has a positive outcome on workers' recital of these establishments. The firms design training agendas in lieu of warranting that workers' training essentials are constantly met via counseling, roundtables, as well as backing workers' exertions in enlightening their faintness.

Efficacy as well as competence of workers' training amid employees at Vivo energy investment in Kenya underwrites expressively to the workers' recital at individual and therefore the organizational recital. The research accomplishes that there is an influence on worker's recital of career growth expressively on workers' recital fastened on shaping method of promoting the staffs. Career growth agendas promise workers' inevitability of their ensuing position up the ladder since preferment is virtuously founded on recital and Vivo energy investment have methodical program in lieu of ascertaining as well as evolving workers' abilities. The research discloses that performance appraisal and performance contracting in at vivo energy investment in Kenya, the study revealed that evaluator assist in comprehending the procedure applied to assess and rate recital was momentous to clients' gratification.

#### 5.4 Recommendations for Further Research

The research applied primary data which is principally sentiments of the respondents. So other research must be done to evaluate Human Resource Practices and Performance Contracting in the Petroleum industry in Kenya via secondary data. Additionally, the scope of the research was restricted to Vivo Energy Investment, limiting applicability of the findings to petroleum industry. Consequently, other researches ought to be carried out on the effect of performance contracting on worker recital in other sectors in Kenya.

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**Comment [16]:** Write in specific points based on your findings

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**APPENDIX I  
LETTER TO THE RESPONDENTS**

Dear Respondent,

**RE: RESEARCH PROJECT QUESTIONNAIRE**

~~I am pursuing a degree of master of business administration and carrying out an investigation on human resource practices and performance contracting in the petroleum industry in Kenya. I consequently appeal for your support via attending the surveys given. The questionnaires shall be applied as an apparatus to support me in realizing the investigation goals. Any material offered shall be handled with maximum discretion.~~

~~Yours faithfully,  
Phyllis~~

**APPENDIX H  
QUESTIONNAIRE**

**Dear respondent**

**SECTION I: GENERAL INFORMATION**

*Please tick (✓) appropriately.*

1. Gender of respondent

~~Male [ ] Female [ ]~~

2. Number of years worked in this firm?

~~a) Less than 5 years [ ] b) 6 – 10 years [ ]~~

~~e) 11 – 15 years [ ] d) More than 16 years [ ]~~

3. Age of respondent

~~a) Twenty four to Thirty years [ ] b) Thirty one to Thirty seven years [ ]~~

~~e) Thirty eight and Above [ ]~~

6. Please indicate your highest level of education  
 a) Primary [ ] b) College [ ]  
 e) University [ ]

**PART B**

**7. Effect of employee's training on performance contracting at vivo energy investment, Mombasa County**  
 On a scale of 1-5, specify how you agree/ disagree with the subsequent statements where  
 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

No.	Effect of employee's training	1	2	3	4	5
i.	Training offered suit the job and improves my performance					
ii.	Training is delivered in a method I can easily understand					
iii.	The management provide employee with counselling					
iv.	Training is evaluated by management after its offered					
v.	Management's support for my efforts to improve my weaknesses					

**8. Effect of employee compensation on performance contracting at vivo energy investment, Mombasa County**  
 Indicate the effect of employee compensation on performance contracting at vivo energy investment, Mombasa County. Use the scale below to guide you.

Statement on employee compensation	1	2	3	4	5
There is a gap in salaries between employees in the organization					
Recognition should be given for creative suggestions that improve performance					
Non financial incentives are offered by the company					
Allowances and overtime are paid on extra work					
Our salary is fixed on the basis of performance					

**9: Effect of performance appraisal on performance contracting at vivo energy investment, Mombasa County**  
 What is your level of agreement to the ensuing declarations that relate to effect of performance appraisal on performance contracting?

Use a scale of 1—5 where, 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral, 4=Agree and 5 = Strongly Agree.

NO.	Statement on performance appraisal	1	2	3	4	5
i.	My appraiser helps me to understand the process used to evaluate and rate my Performance					
ii.	The performance appraisal review discussion is the only time I get feedback about my performance					
iii.	Employees are provided with feedbacks to help improve their performance					
iv.	After performance appraisal results are communicated back to employees					

v.	Organization have individual performance level projection					
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**10. Effect employee promotion on performance contracting at vivo energy investment, Mombasa County**

What is your level of agreement to the ensuing declarations that relate to effect employee promotion on performance contracting?

Use a scale of 1 – 5 where, 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral, 4=Agree and 5 = Strongly Agree.

NO.	Statement on employee promotion	1	2	3	4	5
i.	Employees are certain of the next position up the ladder					
ii.	Promotion is purely based on performance.					
iii.	The firm has a systematic program that identifies and develop employee skills.					
iv.	Employees are certain of the next position up the ladder					
v.	The company have a structured system of promoting employees					

**11. Performance Contracting in the Petroleum industry in Kenya**

What is your level of agreement to the ensuing declarations that relate to performance contracting?

Use a scale of 1 – 5 where, 1 = Strongly Disagree; 2 = Disagree; 3 = Neutral, 4=Agree and 5 = Strongly Agree.

NO.	Statement on performance contracting	1	2	3	4	5
i.	Performance contracting highly influences the employee satisfaction in our company.					
ii.	Performance contracting enhances efficiency in the organization					
iii.	Performance contracting enhances effectiveness in the organization					

**Thanks for your response!!!!**

**APPENDIX III: BUDGET**

<u>ITEM DESCRIPTION</u>	<u>AMOUNT IN KSH</u>
Stationery	15,000
Transport	25,000
Internet costs	20,000
Typing, printing, and binding	35,000

Subsistence	30,000
NACOSTI Fee	1,000
Publishing fee	5000
Miscellaneous	19000
<b>TOTAL AMOUNT</b>	<b>150,000</b>

**APPENDIX IV: WORK PLAN**

Phase	Description	Duration (Months) 2021-2022					
		DEC	JAN	FEB	MAR	APR	MAY
1	Introduction	■					
2	Literature review		■				
3	Methodology			■			
4	Preparation of Data collection instruments				■		
5	Correction of proposal					■	
6	Presentation of proposal						■