

**EFFECTS OF EMPLOYEE TENURE ON ORGANISATIONAL
PERFORMANCE: A CASE STUDY OF KENYA REVENUE AUTHORITY
WESTERN REGION, KENYA**

By

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**A THESIS SUBMITTED TO THE SCHOOL OF HUMAN RESOURCE
DEVELOPMENT IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
FOR THE AWARD OF A MASTERS OF SCIENCE DEGREE IN HUMAN
RESOURCE MANAGEMENT**

MOI UNIVERSITY

APRIL, 2016

DECLARATION

This research thesis is my original work and to the best of my knowledge has not been presented for examination of any degree in any institution or University.

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DEDICATION

To Colleagues, Relatives and Friends

ACKNOWLEDGEMENTS

Many individuals have made tremendous contributions to this study. A few of them deserve mentioning and congratulations. First and foremost I thank the Almighty God who saw me through this thesis writing period. I wish to acknowledge my supervisors Mr. D. O. Onganya and Prof. L. Mulongo for their inspirations given to me during my thesis writing without which I would not have completed this proposal successfully.

Abstract

Employee performance offers value-added by creating, developing, and maintaining the relationship with the customers. Many organisations in many countries are faced with the threats of poor productivity. This is mainly because of the many constraints influencing organisational systems of performance, for example employee tenure. It is obvious that the results of those constraints are discouraging investors and ultimately the organisation which is lagging behind. Being successful in such situations partly depends on the employee tenure and to what extent the tenure influences employee performance. The purpose of this study was to evaluate the effects of employee tenure on organisational performance. The objectives of this study were: to determine the level of employee tenure in Kenya revenue authority western region; to determine the influence of knowledge competency on organizational performance; to examine the influence of skills support system on organizational performance; to determine the influence of stable work-environment on organizational performance and to examine the effects of cost effectiveness on organizational performance. The study employed a case study design. The study was carried out in Kenya Revenue Authority Western Kenya region. The target population for the study was 370 employees. From the target population, a sample size of 250 was picked using non-probability sampling. Data was collected using questionnaires and document analysis. Data was analysed using descriptive and inferential statistics with regressions and correlations established. The findings showed that employee tenure has significant effects on organisational performance since knowledge competency has a maximum reported influence of 69%. Further it was reported that skills support system had a maximum influence of 68%. In addition, information on tenure stable work environment showed that the maximum reported influence was around 58.0%. While information on employee tenure cost effectiveness has a maximum of -76.0%. It was concluded that the performance of the case organisation met expectations, solid, exceed expectations and was exceptional at various periods. Employee tenure has effects on performance, and that all the four components of employee tenure; Knowledge Competency, Skills Support System, Stable Work Environment and Cost Effectiveness, influence performance and their effects were independent. The study recommended that organizations ought to ensure that longer employee tenure should be achieved when that tenure improves performance at all times and no form of retrenchment practices be done due to employee overstay.

Key Words: *Employee Tenure: Knowledge Competency, Skills Support System, Stable Work Environment and Cost Effectiveness; Organisational Performance: Financial Outcomes, Customer Loyalty, Market Share and Learning, Growth and Processes*

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LIST OF ABBREVIATIONS AND ACRONYMS

CE	Cost Effectiveness
HIV	Human Immunodeficiency Virus
HPWS	High Performance Work Systems
ICT	Information Communication and Technology
KC	Knowledge Competency
KRA	Kenya Revenue Authority
MLQ	Multifactor Questionnaire
NGOs	Non-Governmental Organisations
NSE	Nairobi Stock Exchange
OLS	Ordinary Least Square
OP	Organisational Performance
PhD	Doctor of Philosophy
SD	Standard Deviation
SMEs	Small and Medium Enterprises
SSS	Skills Support System
SWE	Stable Work Environment
USA	United States of America
VIF	Variance Inflation Factors

OPERATIONAL DEFINITION OF TERMS

Employee Tenure	The median number of years that wage and salary workers had been with their current employer
Knowledge Competency	An employee capability in knowledge, skills, and abilities developed during tenure period used to successfully perform critical work functions in a defined work setting
Skills Support System	Established environment with relevant work related skills from the current employees that provide stability and continuity to new employees in an organisation
Stable Work Environment	Workplace that assure job security and long term employment opportunity to employees
Cost Effectiveness	Employee developed ability of identifying areas of resource wastage and resource allocation mismatches so that useful in minimizing resource use for maximum outcome realization
Organisational Performance	Ability to identify, integrate and convert planned inputs to realize intended actual outcomes.
Financial Outcomes	The results realized related to finances such as profits, losses and from the operating activities of an organisation
Customer Loyalty	The degrees in which people choose to use a particular products or services offering repeat buying. It is portrayed by consistently purchasing from one organisational product or brand over an extended period of time.
Learning, Growth and Processes	The ability to develop and improve in internal skills and capabilities from employees that are required to support the value-creating internal processes.
Market Share	This is the percentage proportion of industry total sales that under coverage and control by a single organisation over a specified time period.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This chapter provides background of the study, statement of the problem, objectives of the study, the research questions, significance of the study, and scope and limitation of the study.

1.1 Background of the Study

Globally, managers are unable to achieve and maintain high level performance. Keeping a healthy business environment is a difficult role to achieve. Although organizational performance stimulation is always a priority to private and public sectors, its realisation has proved impossible. In modern corporate environment, competencies are employee driven not machines or financial resource (Hallberg, & Schaufeli, 2006). Yet managers find it hard to tap and to retain it. Tenure develops employee experiences of knowledge, skills, attitudes, and actions that distinguish talent in them that can be tapped to improve performance. These attributes are tools that can create desired managerial-based behaviours, success-based behaviours, job effectiveness and people-based behaviours.

Even though tenure can create professional and technical capability, relationship building, continuous improvement, communication, customer services, contextual knowledge and organisational awareness and personal responsibility. However, most companies continue to make losses. Most organisations continue to make financial

losses, for example, in USA, Enron, WorldCom, Tyco, HealthSouth, Freddie Mac, and American Insurance Group among others fell into poor financial outcomes (Cheung, 2006). In Kenya the list include: Kenya Airways, Uchumi Supermarket, KenolKobil, Marshalls East Africa, East African Portland Cement Company, and Express Kenya among others dipped into losses in 2012 (NSE Report, 2012). Such poor financial outcomes can destroy customer loyalty, and reduce market share.

The other aspects of tenure contribution can be the development of technical employee effectiveness. These are specific industry and occupation tools and attributes for performance success. These are essential in creating internal strengths capable of predicting future workplace successes. They are what employers are looking for to create improved performance. But getting them and utisiling them has never been so easy for managers hence unable to create value (Andreassen, Ursin, & Eriksen, 2007). Many of today's organizations are characterized as distributed, matrix, and global, with functions that often operate autonomously in the absence of governance making efficient and effective identification, utilization, and implementation of competencies difficult. Hence most organisations are not able to develop indicators to measure the benefits of tenure although there is high level investment on financial and non financial incentives to employ permanent employees. At the same time, lack of research in this area further complicates matters for practicing managers (Hallberg, & Schaufeli, 2006).

Employees master technical competencies of these fields and occupation becoming skilled. However, managers still find it hard to retain top talent developed from within. They experience difficulties when an employee quits. The cost of training and career development of employee who has left and the expenditure on new employees minimize chances of operational efficiency (Cheung, 2006). This is because incentives such as mortgage, education, medical schemes and other incentives are expensive in development and financing. However, managers still try their best to bring candidates qualified during recruitment but fail to retain them to benefit from the pain of developing career talent in them. It implies that by training and developing and failure to retain excellent talented employees is a waste of organizational resources. This can be a setback to the understanding of the benefits of retaining employees. It only contributes to the feeling of pain of continued recruiting due to increased cost of employee turnover.

Developing a positive and promising work environment is one best investment to make as a manager. Such environment can create high level of employee engagement and commitment who strive for improved performance. However, in most organisations, only a small percentage of employees are engaged, more than half are not engaged while the remaining are totally disengaged (Hackman, & Oldham, 2005). This can lead to employees who keep working in traditional paradigm. In such set ups, they do routine, repetitive and somewhat unchallenging jobs without much sense that they really make a difference in the overall direction or success of the business (Baum, 2006). Since job security is not assured, employees fail to pursue new

paradigms of high performance work systems (HPWS), which challenges the routine activities of employees creating a thinking environment (Cheung, 2006)

Due to unavailable studies and lack of practice, managers cannot detect, identify and target majority employees not engaged and totally disengaged and find the root of their problems. That leaves managers worried only when their trusted talented lieutenant employees have left for another new environment (Fritzsche, & Parrish, 2004). This can affect level of loyal customers as they keep facing new employees. This can also destroy the chance of improving the market coverage (Kinnunen, Feldt, & Makikangas, 2008).

Most managers have focused on organisational performance as a common factor in administrative decisions. They offer promotions and award raises and other fringe benefits yet there is still challenges related to efficiency, effectiveness, relevancy and financial stability of many organisations (Hemdi, & Nasurdin, 2005). These employees are yet to deliver to the managers the results commensurate with the level of fringe benefits. This is because most organisations still achieve poor performance in market share prices, increased debts and resource wastage at the expense of these moves (Gonzalez-Roma, Schaufeli, Bakker, & Lloret, 2006). Even through orientation of newly recruited employees, lack of supporting environment may hinder quick adaptability of new recruits. However, when employees with long term experience are available, they provide a learning environment, role model and referral agents, respect and challengers, and common interest to new comers.

Employee tenure can also lead to creation of a saving environment. The long tenured employees have experiences in areas that result into resource wastages, quality development, and efficiency. This attribute can be a tool to help identify ways to redirect resources to achieve maximum outcome with little resources. Organisations can pursue this aspect to benefit from its utility of allocating resources from ineffective to effective interventions and allocating resources from less to more cost-effective interventions. This leads to pursuit of optimal use of resources to achieve the desired output with minimum resources (Hallberg, & Schaufeli, 2006). However, the main challenge is efficiency, effectiveness and quality development and improvement. This make organisations to keep engaging in practices that lead to increased resource wastages, poor quality outcomes and high level of inefficiency (Hackman, & Oldham, 2005).

As most organisations continue to record unhealthy performances, experience for improvement has proved difficult. In the past the giants such as Leyland Motors, Ford Motors, electronics companies from Europe and USA have suffered great losses due to their inability to match their competitors from Japan, China and India. They have proved not able to have leadership competency to learn from the past and predict the strategic path for future continuity. In addition to that, what managers currently practices do not integrate tenure as strategic tool to influence improved performance.

1.2 Statement of the Problem

Despite use of various fringe benefits to manage employee longevity, the performance of these companies is not proportional to the degree of such benefits. The outcomes have also been mixed. Strategic direction of tenure as a tool for improved performance has not been achieved. Majority 54% of employees remain not engaged, 17% are totally disengaged while only 29% are the ones engaged. Managers are not able to detect, target and tackle such problems in employee tenure. Poor management practices on tenure and lack of studies on this issue have further complicated the situation. Continued investments in financial and non-financial incentives are therefore robbing organisations of their resources. Many organisations have failed to build leadership competencies to learn from the past, built present and future success using employee tenure. Yet this tenure can provide knowledge competency, skills support system, stable work environment and cost effectiveness what could be useful in creating, maintain and improving performance in areas such as customer loyalty, market share, learning, growth and processes thereby resulting in stable and sustainable financial outcomes.

The performance threats to most organisations include falling market prices, market delisting, shut down, resource wastages, poor customer satisfaction and disloyalty, mismatch between resource allocation and the output results. there are various examples such as Ford Motors Company lost -9.19%, Hewlett-Packard Company - 11.33%, and Nike Inc incorporation lost -18.86% in their share prices as rated by Jun Soon 20 Worst-Performing S&P 500 Stocks. These organisations have not been able

to benefit from their translate employee tenure into healthy performance. Yet they spend al lot in managing permanent employment schemes. Few literatures available provide mixed results and only focused on other performance dimensions creating a knowledge deficit to exist.

The question is what creates customer loyalty, increased market share, desired learning, growth and process, and financial outcomes? Can employee tenure influence achievement of customer loyalty, increased market share, desired learning, growth and process, and financial outcomes? Since there is not yet any study linking the performance measured by customer loyalty, increased market share, desired learning, growth and process, and financial outcomes and employee tenure. A research on the same is necessary to understand the effects of employee tenure on organizational performance.

It against these questions and lacks of the solutions that there is a need to investigate the effects of employee tenure on organizational performance. Therefore the purpose of this study was to investigate the effects of employee tenure on organizational performance.

1.3 Objectives of the Study

The objective of this research was to investigate the effects of employee tenure on Organizational performance.

The specific objectives included:

- i) To Determine the Level of Employee Tenure in Kenya Revenue Authority Western Region
- ii) To determine the influence of knowledge competency on organizational performance
- iii) To examine the influence of Skills support system on organizational performance
- iv) To determine the influence of Stable work-environment on organizational performance
- v) To examine the effects of cost effectiveness on organizational performance

1.4 Research Hypothesis

H0₁: There is no relationship between Knowledge Competency and Organizational Performance

H0₂: There is no relationship between Skills support system and Organizational Performance

H0₃: There is no relationship between Stable Work Environment and Organizational Performance

H0₄: There is no relationship between Cost Effectiveness and Organizational Performance

1.5 Significance of the Study

The results of this study will have several practical implications in an organizational set up. The findings of this study will be used as framework to strategically manage employee tenure and performance. The findings will provide an academic knowledge on the influence of tenure on performance and not the mixed results as literature reveals. It will enable policy formulation, procedures and strategies developed that will be effective, and relevant to the concerned organization. Second, this study has practical implications for organizations that have invested heavily on employee retention strategy.

The study contends that the findings of this study will make concrete recommendations on the issue investigated. It is hoped that this study will also benefit other organizations that will not be covered in this proposed study and make recommendations for improving organization tenure and organizational performance.

1.6 Scope and Limitations of the Study

1.6.1 Scope of the Study

The study was conducted in Kenya Revenue Authority Western region of the larger Rift Valley Region focusing particularly on the characteristics of employee tenure and organizational performance. All employees working for this organization within the Western region formed the target population from which the participants sample size was drawn. The findings of this study were useful in addressing problems associated with employee tenure and organisation performance. It was also based on

the information within the four components of employee tenure and organizational performance that were identified.

1.6.2 Limitations of the Study

It must be pointed out that there were some limitations to the study, namely, being new research, difficulties in accessing participants within the sub-region especially those who were mainly on a field work schedule was a challenge to the researcher however, all necessary arrangements were made to ensure that a large sample size was achieved to allow for statistical testing be carried out and provide valid statistical inferences of the findings. The other limitation was that, it would have been valuable to carry out a longitudinal study of the population to determine the cause effects of employee tenure on performance, however, this would require an arrangement of a longer period than what this thesis could carry, hence this study only performed a correlation between variables hence cause effects was beyond its reach.

1.7 Theoretical Framework

The study will be guided by the theory of attrition developed by Heider (1958). The theory of organizational performance and employee tenure that for the way individuals interpret events and how this relates to their thinking behaviour and decision making. It assumes that various factors determine organizational performance and employee decision to remain in the current employment.

Attribution theory assumes that people try to determine why people do what they do. A person seeking to understand why another person did something may attribute one or more causes to that behavior. According to Heider a person can make two attributions internal attribution, the inference that a person is behaving in a certain way because of something about the person, such as attitude, character or personality. External attribution, the inference that a person is behaving a certain way because of something about the situation he or she is in.

1.8 Conceptual Framework

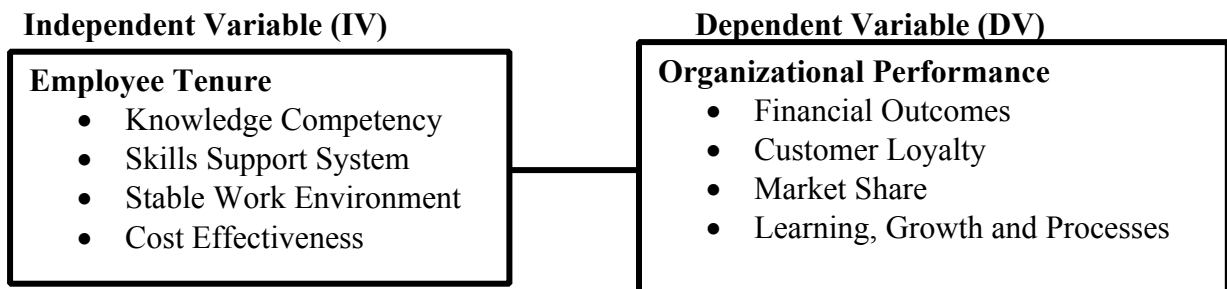
The thesis conceptualized that the organizational performance could be affected by knowledge competency, skills support system, Stable Work Environment and cost effectiveness. The purpose of this study was therefore to test the nature and the strength of these relationships. Employee tenure can change when an employee's investment of time and effort is high. Employee tenure is suggested as the best indicators of actions that build up one's stake in the organization.

Employees with low tenure may have low rate of tenure because of their awareness that, with less work experience, they often have fewer job opportunities. As they gain experience alternate employment opportunities may increase; this decreases the magnitude of one important cost of leaving, that of having no job. Unavailability should prevent some negative attitudes toward the job and organization that would be possible if many opportunities were available. At the same time, the levels of organisation performance vary across different tenure groups as a result of factors

such as alternative job opportunities, and therefore tenure may have a on organisational performance-organisation performance relationship differently across different tenure groups.

Accordingly, the reason for the low correlations of organisation performance with tenure may be that these relations are not simple or direct, but moderated by employment tenure. This study tests the conceptual framework presented in Figure 1.1

Figure 1.1: Conceptual Framework of the Research



The conceptual framework provides a link between the variables and indicates the expected influence of employee tenure on organizational performance. This relationship shows that the employee tenure is as results of decisions made by the employee and the influencing attachment factors in relation to the inducements that the organization is providing. If these inducements are over a long term focus and they benefit employee, then there is a decision not to leave. This decision to stay for sometimes is hoped to be beneficial to the organization. The effect of an independent variable is characterized statistically as an interaction variable that affects the direction and/or strength of the expected outcomes such as organizational performance.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter covers the literature on the proposed issue of investigation both generally as a globally used concept as well as in particular organization setting, the objectives and essence of the study will be also presented. This chapter accounts for the key conceptual frameworks and the body of knowledge relevant to the research topic. The literature specifically explores influence of employee tenure on organizational performance.

2.1 The Concept of Employee Tenure

Employee tenure in organizations has received substantial attention from both academics and managers. Much of this attention has been focused on understanding its causes. Implicit in this approach is the assumption that tenure is driven by certain identifiable characteristics of workers, tasks, firms, and markets, and that, by developing policies to address these characteristics, managers might reduce the occurrence of tenure in their respective organizations. Many organisations operate with very high levels of employee tenure, which makes retailing an important context in which to study this phenomenon.

In past studies, there are mixed conclusions based on both theoretical and empirical analysis. Other studies argue that tenure has negative effects on operating performance due to the disruption of existing routines (Bailey, 2006). At the same

time, these studies identify other negative results of tenure as loss of an employee's accumulated experience (Bakker, *et al.*, 2007). While these organisations present a negative picture on tenure, others recommend that firms can benefit from the innovative thinking or increased motivation that new workers bring to a job (Bakker, 2008). These conflicting views suggest that the effect of tenure on performance may depend on the nature of the environment in which tenure occurs.

2.1.1 The Employee Tenure and Organizational Performance

Employee Tenure has been found to account for a significant proportion of unique variance in job satisfaction (Oldham, 2005). However, the effects of tenure as a have been conflicting. Hallberg & Schaufeli (2006) found that tenure negatively affected the relationship between job satisfaction and counterproductive work behaviour, while Hellman (1997) did not find tenure to be a relationship between job satisfaction and intention to leave. Although no research to date has been done looking at the relationship between work engagement and tenure, it is desirable to consider whether tenure moderates the relationship between the three dimensions of work engagement and satisfaction with supervision as well as satisfaction with coworkers. Perhaps new employees who are engaged in their work will be initially satisfied with their supervisor and coworkers. While their tenure increases, they may become more autonomous and, although they remain engaged, their satisfaction with supervision and coworkers may diminish.

2.2 Employee Tenure

Employee Tenure is a faithful commitment to an employee who has proved his worth, or who simply has had a long-term relationship with the employer. Many organisations such as learning institutions or companies sometimes provide tenure as a way to strengthen the bond between the organization and employee. It is expected to provide benefits for both organizations and employees. Tenured employees normally have opportunities for personal or professional leave not available to non-tenured employees. They have annual long-leaves to engage in professional growth or simply to take a breather from the rigours of work life. These extended leaves give tenured employees the ability to stay current in their fields or to refresh themselves personally for continued performance in academic teaching or research (Krueger, & Killham, 2005).

Tenured employee includes personnel moves including layoffs, firings and promotions. While the idea of employee tenure is harrowing for many businesses, the desire for a stable bottom line often trumps relationships with long time employees (Llorehs, Schaufeli, Bakker, & Salanova, 2007). In many cases, employee tenure is limited by union representation and employee contracts. Each manager, supervisor and business owner has to understand the complexities of employee tenure before making the first personnel decision (Hamermesh, 2001). It means that an incorrect promotion or firing can lead to serious lost productivity as well as diminished loyalty from employees. The function of employee tenure is to keep essential personnel in positions best suited to their skills (Mullins, 2005). According to Booth and Hamer

(2007), employee tenure may entail consolidating positions and creating new jobs that reflect the new challenges facing an organisation.

Employee tenure can also be observed in terms of positive and negative influences. The positive tenure involves the creation of new jobs in recognition of a company's expansion; moreover, the negative tenure demonstrates a contraction of organization finances due to hard times. Positive employee tenure typically takes place on an individual or small group basis (Swanepoel, *et al.*, 2003). This type of tenure involves individual consultations to inform personnel of their promotions, pay raises and additional responsibilities. These conversations are designed to keep personnel moves confidential while reducing frustration by workers who were not promoted. The negative employee tenure typically takes place on a larger scale with mass layoffs and firings common in the corporate world (Steers, 2002). The morale of workers takes a negative consequence with sizable layoffs. Investors and owners who are concerned about an organisation's bottom line can regain confidence with negative employee tenure (Bittel and Newstrom, 2002).

Whether the result of employee tenure is positive or negative, an organisation will experience some consequences by shifting personnel (McConnell, 2004). That means an organisation needs to plan for promotions and retention carefully to reduce the impact on daily productivity, which will take a dive as new employees undergo job training and newly promoted personnel learn their job responsibilities. A poor management of employee tenure, may cause an employer lower morale among

workers from top to bottom (Mathis and Jackson, 2007). However, a business that earns a reputation for turning employee over frequently will find it difficult to recruit entry-level workers and executives alike (Cohen, 2000). The employee tenure process can take up to a year for completion depending on the depth of the tenure and it begins with discussions by board members and executives about necessary personnel changes. Organisations that are affected by negative employee tenure need to provide sufficient notice to workers conduct exit interviews and reassign responsibilities to remaining personnel (Hamermesh, 2001). At the same time, one of the benefits of tenure for both employer and employee is stability. The organization is faced with fewer ongoing hiring and training requirements this improves its image.

The employee doesn't have to constantly look over his shoulder with a feeling of uncertainty about career and position. However, there is also the school of thought that tenure causes people to become comfortable and unmotivated; the positive perspective is that it encourages employees to commit to their organization and their work. In addition to that longer-tenured employees typically have stronger expertise, along with broader and deeper knowledge in their fields.

This is in contrast to perpetual hiring of new employees with little to no experience which can be a driving force to efficiency, relevancy and effectiveness. They have incentives and opportunity to commit to strengthening existing knowledge and skill areas and learning new ones. Some organizations give tenure to employees to encourage them to develop new skills through a process called cross-training. This

gives employees more credibility and confidence and makes them more qualified for current or future positions.

2.2.1 Knowledge Competency

This implies that employees who have been with the company for many years have considerable knowledge base of the company's culture and its products and services. They have experienced many changes within the workplace, and consequently understand what works and what doesn't. In performing their job duties day after day, they develop a strong knowledge base, which results in higher productivity because fewer mistakes are made. These long term employees may possess a keen understanding of production procedures and manufacturing techniques, which ultimately leads to higher sales.

This employee longevity may also play an important role in products getting produced accurately and of the highest quality possible. Being an industry leader requires a structure of knowledge and directive that builds over time. In a manufacturing set up, long-term employees have a wealth of knowledge in techniques, materials and production procedures. When a manager strives to retain and put this valuable knowledge to use in their daily operations, productivity naturally increases. Success becomes routine and easily becomes part of day-to-day business.

2.2.2 Skills Support System

Each time a new employee is hired, they undergo training and development. Long-term employees have already undergone this process and can be an invaluable support system to new employees. For example, the same accounting or clerical issue that the new hire struggles with can be immediately solved by a long-term employee, freeing up more time for everyone. If the new employee becomes stressed or overwhelmed by his job duties, the long-term employee can reassure him that in time he will get the hang of it.

They have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production. In turn, waste, errors and spoilage is kept to a manageable level. Veteran employees' skills are invaluable in certain environments, especially when they can use their knowledge gained over the years to benefit new employees who may still be green to the ways of the business. Thus an effectively performing organizational means its ability to perform a function with optimal levels of input and output (Gish, 2014).

This study can use this measure by selecting on key items of financial viability, relationship between employees and the organization and the effects of these on performance being pursued. This measure also include organizational effectiveness to measure any number of things, from the relationship between employee performance and company profits to the correlation between manufacturing processes and

production volume. There are no set parameters that exist for organizational effectiveness and it follows no definitive mathematical formula hence each organization creates its own method of measuring effectiveness. Measuring effectiveness can help a small business without the ability to absorb ineffective processes modify its approach to avoid loss. This provides a challenge on the identification of these measures and models that suits a given environment.

2.2.3 Stable Work Environment

By being with the company for a number of years, long-term employees reflect a stable work environment, which improves morale which is a prerequisite for result based improvement. Each time an employee quits or is terminated, it disrupts the work environment because a suitable replacement must be found. Further, in an economy where jobs are scarce, long-term employees indicate a secure work environment. High turnover can create uncertainty in existing employees, as they begin to wonder whether they'll be next.

The literature on modern organizations portrays corporate environment as webs of relationships among stakeholders (Weick, 1995). These groups vie for importance and power within the organization and try to influence the choice of criteria the organization uses for determining performance. From a stakeholder perspective, the performance of an organization is understood as the extent to which the needs and requirements of each stakeholder are met. Organizations must be relevant to their key stakeholders. In studying development NGOs, we find the requirements and

expectations of their donors are not the same as the requirements of their clients (another stakeholder group). These organizations need to be relevant to both funders and clients, and must reconcile the differences.

While part of ongoing relevance is simply meeting stakeholder expectations, another factor is anticipating their needs. Innovation and adaptation to changing conditions are other aspects of ongoing relevance, albeit more speculative ones. Organizations need to anticipate the future, create new products and services, and engage their stakeholders with respect to their emerging needs. At one level, this is seen in every new budget brought down by government. New programs are introduced and old programs disappear. It is often said that a government department is outdated when it does not adequately engage in trying to improve upon its products and services, or when its staff is no longer motivated to try innovative ideas. Trying to assess innovativeness and adaptability are important parts of ongoing relevance.

2.2.4 Cost Effectiveness

Employee turnover, which determines the length of tenure costs the company huge amount of money. Costs vary by company, but typically include separation fees, such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation. Replacement costs include advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring. By retaining your employees, these costs are not

an issue. Such expenses can be avoided by having employees on board over a long period of time.

An employee who has been with a company for a number of years shows newer employees that the company has a good working environment. If it didn't, surely he or she would have found employment elsewhere. Confidence in one's job not only provides an employee with a feeling of stability, but often times means they work harder for a company they know they will be with for the long haul. Happy long-term employees show coworkers that a job can turn into a career, and employees often have more of a vested interest in the company's success.

Organizations can be relatively effective, efficient and relevant to most of their stakeholders, yet on the verge of collapse. This means to perform well, an organization must also pay attention to its ability to generate the resources it requires especially financial ones. This means not only having the ability to pay its operational bills, but also having some excess of revenues over expenses (Booth, 1996). Returns such as profits are a measure of financial health, that an organization rely on and not borrowings.

Thus organizations focus more on the demand and revenue side of their work rather than just the supply side (Henke, 1992). A financial viability, is an organization with financial resources that meet its functional requirements in the short, medium and long term. There are three dimensions to assessing the financial viability of an

organization. The first relates to the ability of an organization to generate enough cash to pay its expenses, and be prosperous and profitable. Resources are generated through an organization's ability to create, supply and deliver products, services or programs useful to customers, clients or beneficiaries (Henke, 1992). Organizations unable to meet their short-term obligations present a risk to their creditors, those to whom they provide services, and people working in the organization (Lampe and Sutton, 1997).

Organizations also need to generate resources for mid- and long-term obligations. In government agencies, this is not viewed as an issue, because all government capital expenses are expensed the year of purchase. However, with the rapidity of technological change, governments as well as not-for-profit organizations will need to have clear financial plans and methods for implementation allowing for capital replacement. Therefore, short-term financial viability is influenced to a large extent by how effectively the organization manages cash, accounts receivable, and accounts payable. Although there is a perception that financial management requirements are less stringent in the not-for-profit sector, organizations in this sector must nonetheless manage their resources well enough to convince donors and other stakeholders to supply additional funds in the future.

2.3 Organizational Performance

Generally firm performance refers to the success of the firm. Alchian and Demsetz, (1972) defined it as the comparison of the value created by a firm with the value

owners expected to receive from the firm. According to Flapper, Fortuin, and Stoop, (1996) it is the way organization carries its objectives into effect. Studies in organisational performance have extended into two main streams (March and Sutton, 1997). The first is to investigate the ways of improving the firm performance and the second is to study the predictors of firm performance. Consequently, firm performance has widely been studied as a dependent variable in organizational research (Rogers and Wright, 1998; March and Sutton, 1997). Most of the studies which used performance as a dependent variable have attempted to explain the variation of the performance of SMEs (Carton and Hofer, 2010; Brush and Vanderwerf, 1992).

Performance is the level of achievement or obvious outcome that is obtained which sometimes is used to obtain positive result. Performance is also defined as the personnel's successfulness in achieving strategic objective from four perspectives: finance, customer, process, as well as learning and growth. The definition above implies that organizational performance is the management decisions' outcome to achieve particular objective in effective and efficient way. Keats formulated brief conceptual framework of organizational performance by making a proposition that correlated entrepreneurship, environment effect, and performance. Related to SME performance, it had been described in some thoughts through scientific study, consultation, and business practice (Mohant & Rath, 2012).

The paradigmatic definition difference on the term of performance is distinguished from the development stages during examining and planning the business management. The research spectrum has been categorized into theoretical perspective. Business performance is the quality and quantity of the tasks achievement, both by individuals and by group or organization (Rovero, 2004). There are five indicators used for measuring performance that are the preciseness in fulfilling demand, ability to maintain good relationship with customers, sufficient inventory, keeping quality of the product, and providing affordable price for customers.

Organizations apply many methods and strategies to assess their performance. These methods measure everything from financial viability, efficiency, effectiveness and relevancy among others. These measurements may prove especially important to all organizations depending on the main reasons for measuring performance.

2.3.1 Effects of Employee Tenure on Organisation Performance

Long tenure employees may have high reputation developed over time. Those employees are likely to pay more attention to the job performance as the poor performance will dramatically impair their reputational capitals. In addition, employees who survive long tenure must perform well if the job market of employees is efficient (Vafeas, 2003). It is believed that organizational commitment increases in tenure. Salancik (1977) develops a theory that people's actions become more committing if the revocability of the actions is lower. Furthermore, O'Reilly and

Caldwell (1981) provide evidence that behavioural commitment is significantly associated with job turnover. Long tenure employees may have high job satisfactions.

Those employees are less likely to reverse their job acceptance. Thus, extended tenure can enhance the commitment of employees to fulfill their duties. This implies that long tenure employees have greater experience, expertise, and reputation. Also, they have high commitment and willingness to work better. On the other hand, long tenure may lead to the entrenchment that reduces the effectiveness of other employees. Long tenure employees are more likely to have a friendly relationship with the management, which is developed over time (Vafeas, 2003). The management may use their power to influence the nomination process of team leaders, group members (Bebchuk, Fried, and Walker, 2002; and Bebchuk and Fried, 2003).

Those employees with longevity of tenure will cease to operate independently. It is easier for longer-tenured employees especially in the top or middle level of management to begin to operate dynasties within the organisation and this will interfere with the employee productivity and performance of the firm (Canavan, Jones, and Potter, 2004). Long tenure employees are less mobile and less employable (Vafeas, 2003). They lack new insights and solutions to the company's issues (Canavan et al., 2004). As business operations are becoming more complex and changing more rapidly, it is increasingly difficult for long tenure employees to keep abreast of changes to technology, financial dealings, and business strategies. New employees can bring fresh ideas and critical thinking to the board or committee.

However, long tenure employees may lack talent to deal with new issues. It thus not clear the direction that has been taken by these past studies since longevity can bring positive or negative results to a given organisation.

2.4 Empirical Review

Those organizations with experiences in high rate of employee tenure also experience a high retention rate. The retained employees provide high skilled workforce that is essential for long-term financial performance due to the high cost of tenure as well as the costs associated with the loss of knowledge that workers retain over time. Moreover, separation and replacement costs, organizations typically experience a loss of productivity associated with tenure. These productivity losses also typically impact financial performance.

Employee tenure is a demographic variable which plays a significant role in management and psychological research (Cohen, 1993; Griffeth *et. al.*, 2000). Those employees who remain in an organization for longer period of time to obtain more competency of their job, and therefore, perform at a higher level than employees with less tenure. It means that those employees with different career and backgrounds pass through specific career stages characterized by different activities and psychological adjustments (Levinson *et. al.*, 1978).

This aspect assumes that individuals with high tenure will perform higher than those with low tenure. Hence, organizational knowledge obtained through organizational

tenure has unique positive effects on organisation performance. This is due to employees accumulate relevant job experience as tenure increases, their performance also grow (Cohen, 1991). In a recent meta-analysis of the relationship between organizational tenure and job performance, the findings showed that organizational tenure would be favorably related to various forms of job performance (Ng and Feldman, 2010). These findings confirmed that organizational tenure is favorably associated with performance. In fact, there are research efforts exploring the moderating impact of tenure in job-related associations (Bradley, 2007; Moser and Calais, 2007; Shirom *et. al.*, 2008; Wright and Bonett, 2002).

However, managers also face the challenge of ensuring long tenured employees on their designated functions. A research by Amanda, (2014) indicated that managers face the challenge when working with employees who have remained with one organization for several years of keeping those employees engaged in their work and with the organization. A meta-analysis to examine the correlation between attitudinal commitment and job performance by Wright and Bonett, (2002), found that the impact on productivity of employee commitment to the work decreased with increased tenure. That means the impact of employee engagement levels on financial performance decreases with increased employee tenure hence the threat of a clear academic direction on the understanding of influence of tenure on performance.

In another study by Kapel, (2013), it was found that job tenure was largely unrelated to core task performance and only very weakly related to citizenship behaviour. Job

tenure was also unrelated to creativity and counterproductive work behaviour. Job tenure, however, was positively related to measures of idea generation, dissemination and implementation. Yet many organizations want to optimize employee performance and productivity and it is not empirically evident that encouraging employees to stay in the same job longer or have them change jobs more frequently results into performance improvement.

There is also an understanding that to achieve high performance, a good workforce must be maintained that a changing workforce may not encourage a competitively performing environment. A research by Fernandez (1993) concluded that good workforce practices in the area of human resources are believed to enhance employee and organizational performance. This is because managing such personnel involves leveraging and using the cultural differences in people's skills, ideas and creativity to contribute to a common goal, and doing it in a way that gives the organization a competitive edge. Hayles and Mendez (1997) add that even recent studies have shown a strong correlation between good diversity practices and profits.

To be competitive, and financially viable, an organization needs to have an effective and efficient workforce. Thus an effective performance management is taken as a key determinant in the achievement of business objectives while maximizing the contribution of employees (Cornelius, 1999). However, workplace scholars point out the danger of glass ceiling that is a barrier to promotion into management whereby multicultural employees are often perceived as not having the right skills to move into

management positions. This can result into artificial barriers based on attitudinal or organizational bias that prevent qualified individuals from upward mobility in their organization and will deny employees from fully participating in their performance engagement.

2.5 Critical Review and Research Gaps

In the theoretical and practical spheres, the concepts of effectiveness, efficiency, relevancy, financial viability and performance have evolved as a result of considerable pressure. From a theoretical standpoint, the main pressure arises from the difficulty of conceiving a theory of organizations that does not include the construct of effectiveness (Goodman *et. al.*, 1977). The construct must eventually be discussed to explain intra or inter-organizational variations. Consequently, constant pressure is generated by the need to improve the conceptualization, measurement and assessment of the construct.

Apart from that, this ambiguity and confusion around the construct of four performance views is another source of pressure. There are numerous areas of conflict that originate from the OP's ambiguous meaning and definition, the lack of agreement on how to measure it and the disparity in its use by practitioners and academics (Cameron, 1984). Meaning that even if today there is some agreement that organizational performance requires multiple criteria, it must consider both means and ends (Robbins, 1983), and the choice of model and criteria should be flexible and appropriate for the context (Cameron, 1986), the definition, circumscription and

criteria identification of organizational performance remain problematic, and no definitive theories have been put forth. Cameron and Whetten (1983) define seven critical questions for bounding and assessing performance models.

The empirical review has indicated that there is mixed results of tenure on performance. The results of previous studies have failed to indicate the influence of employee tenure on performance. These mixed results leave an academic confusion to human resource practitioners as to the way forward. It means that with current research, there is no general conclusion on the impact of employee tenure and performance. At the same time, there is lack of focus on the other factors such as employee tenure on the relationship between tenure and performance. This means that a knowledge gap is created by the current researches that need to be explored. Therefore this proposal is expected to close the knowledge gap and provide academic knowledge on the relationship between tenure and performance and also the understanding of other factors such as employee tenure on the relationship between tenure and performance.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter provides research methodology that was used to collect data for the study. It also covered data collection and administration of the questionnaire, pilot study, data analysis and validity and reliability.

3.1 Research Design

This study employed a descriptive case study design, which enabled gathering of specific relevant and accurate information (Sekaran, 2003). The exploratory design is appropriate for assessing whether the case organisations have experienced employee tenure benefits (Creswell, 2005). Inferences about relations among variables are made without direct intervention from concomitant variation of independent and dependent variables (Creswell, 2005). As this design does not allow the researcher to manipulate either the independent variables or the research setting, it is apt, because of its higher external validity and less cost. This allowed the study to be completed within the constraints imposed by limited time and financial resources.

3.2 Study Area

The study was carried out in Kenya Revenue Authority (KRA) Western region. The Kenya Revenue Authority is divided into five Regions as follows the Rift Valley Region, Western Region, Southern Region, Northern Region and Central Region. Western region comprises of Kisumu, Kisii, Busia, Malaba, Sio-Port, Mbita,

Nyamtivu, Miuru Bay, Isebania and Kakamega. To provide its functions, it has Customs Services Department, Domestic Services Department, Domestic Taxes Department, Investigations & Enforcement, Technical Support Services and Corporate Support Services. KRA recently underwent restructuring therefore it is fundamental to understand the outcomes felt from this exercise. The departments targeted here include domestic and custom tax services. It means where employees are served better there are chances of long term stay at the same organisation.

Owing to its large growing feature, newly created job opportunities may exist making employees to experience job alternation hence low tenure and high rate of turnover. These characteristics have made the case organisation, the region and its environment prime for a study of multitasking and individual performance since this finds a rich environment for understanding what is practically happening with an individual employee as a results of employee tenure as a way to organizational performance.

Kenya Revenue Authority (KRA) motto "*kulipa ushuru ni kujitegemea*" which is a key challenge that employees are expected to achieve for the stability of national economic state in Kenya. High level of performance related experiences are required for the achievement of the revenue collection targets. The authority was established by an Act of Parliament on July 1st 1995 Cap. 469 for the purpose of enhancing the mobilisation of Government revenue, while providing effective tax administration and sustainability in revenue collection. The Board and Management of KRA have since its inception spent time and resources setting up systems, procedures and the

adoption of new strategies aimed at enhancing the operational efficiency of the Authority's processes.

It collects a number of taxes and duties, including value added tax, income tax and customs. These need essential tools like knowledge and skills competencies, stability workplace, and cost effectiveness to achieve desired results. Since KRA's inception, revenue collection has increased dramatically, enabling the government to provide much needed services to its citizenry like free primary education and HIV treatment, education, roads, health and social security, defense, and civil order forces to all. However, the targeted annual collection figure has never been achieved so is the demand for improved performance. Applying criteria of efficiency, effectiveness, relevancy, financial viability, fairness, and transparency to tax systems and the spending of government resources creates a virtuous circle of improving fiscal performance, good governance, fair distribution of public goods and services, and ultimately strengthens state legitimacy. It promote compliance with Kenya's tax, trade, and border legislation and regulation by promoting the standards set out in the Taxpayers Charter and responsible enforcement by highly motivated and professional staff thereby maximizing revenue collection at the least possible cost for the socio-economic well being of Kenyans (KRA Annual Report, 2012).

3.3 Target Population

According to Saunders, *et al.* (2003), a target population consists of the full group of potential participants to whom the researcher wants to conduct the research for the

study. It comprises of all employees working at the human resource departments of the organisations selected for this study within Western region. The total target population was 370 of employees of KRA in Western region. The source list of the total number of employees obtained from the Human Resources Department. This population is familiar with the operation of the organization and is able to give the researcher more information about the moderating effect of employee tenure on organizational performance through the structured questionnaires that were administered. KRA is divided into the following Departments, which are headed by Commissioners that also form the basis of target population and sample size for this thesis.

Table 3.1: Population and Sampling Frame

S.No	Name of Branch	Target Persons	Sampling Criteria	Sample Size
1.	1. Kisumu	80	$(80 \div 370) * 250$	54
2.	2. Kisii,	25	$(25 \div 370) * 250$	17
3.	3. Busia	35	$(35 \div 370) * 250$	24
4.	4. Malaba	15	$(15 \div 370) * 250$	10
5.	5. Sio-Port	15	$(15 \div 370) * 250$	10
6.	6. Mbita	50	$(50 \div 370) * 250$	34
7.	7. Nyamtivu	40	$(40 \div 370) * 250$	27
8.	8. Miuru Bay	20	$(20 \div 370) * 250$	14
9.	9. Isebania	40	$(40 \div 370) * 250$	27
10.	10. Kakamega	50	$(50 \div 370) * 250$	34
	Total	370		250

3.4 Sample Size and Sampling Procedure

Sampling is the process of selecting individuals for a study to represent the whole population. According to Gay (1987) and Hilton (1995), a sample of 10% of the population is considered to be the minimum while 20% of the population is required for a smaller population. A sample size of 250 respondents from the case organization was selected as a 68% representation of the target population. This was useful to examine the effects of employee tenure on the organizational performance causing exploratory factor analysis and a structural equation modeling technique. The study adopted a two stage sampling process. The first stage involved selection of region and the second stage involved selection of participants.

Non-probability sampling strategy used to select the regions and participants in the study. The region and participants were selected conveniently as organizations and participants who were interested in the study and have time to complete the research instrument were selected. The sample drawn for the study was predominantly guided by socio-demographic characteristics features such as gender, length of stay in current organization, education, and job position. Random samples within each department were selected from which structured questionnaires were distributed. A subsequent respondent was obtained by skipping every two employees. The 250 respondents were drawn from all the departments of KRA Western region that have been in the firm for at least 5 years. The sample size was determined using standard formulae (Andrew Fisher's Method 1994) $Pop > 10,000$.

$$\text{Formular } n = \frac{z^2 pq}{d^2}$$

Where n = Sample size

z = The standard normal deviate usually set at 1.96 and corresponding to 95% confidence level ± 5

p= know characteristics of the target population (50%)

$$q = 1.0 - p$$

d= desired precision level or allowed standard error level $\pm 5\%$

$(1.96^2 * 0.8 * 0.2) / 0.05^2 = 245.8624$ approximately 246 hence desired sample size 246 actual sample size 250. The participants were asked questions about their tenure decisions, performance and the tenure influence in the last period they have been at the company. Secondary data relevant to the study were also be obtained and used in the analysis.

3.5 Data Collection Procedure

In order to measure the influence of employee tenure on organizational performance, the study conducted a quantitative survey. Questionnaires were designed and distributed to the respondents and given time frame enough to collect back completed questionnaire. Before the administration of questionnaire, a letter requesting permission to conduct the research was requested from the University and the Organisation that was selected for the study. Thereafter, the researcher attached a covering letter to the questionnaire and requested the respondents to participate in this study. The letters for participation from respondents were required by the researcher before distribution of questionnaires.

When using the personal method, a questionnaire is handed to the respondents who completed it in his own time, but the researcher is available in case problems are experienced. The researcher also distributed the questionnaires by hand, so that respondents could complete them immediately and collect those (De-Vos, et. al. (2007). The researcher then asked all respondents to return the completed questionnaires after a week. After two weeks the researcher personally collected the questionnaires from the participants. The completed questionnaires from the target population of 200 respondents were collected using the personal method for data collection.

3.5.1 Primary Data Collection

The study gathered primary data for use in achieving the objectives. Structured questionnaires were used to obtain the primary data. The researcher hand delivered the questionnaires to the participants using the personal method of data collection. Participants were asked to return all questionnaires within two weeks. According to Saunders, Lewis and Thornhill (2009), the two most commonly used primary data collection methods are the questionnaire and the interview. All research is generally concerned with obtaining answers to questions. Questionnaire and interview are data collection instruments that enable the researcher to pose questions to subjects in his/her search for answers to the research questions. Both questionnaire and interviews have distinct features that have a bearing on the correct and appropriate use of each for specific data collection purposes. Primary sources using structured

close ended questions are the first occurrence as a point of departure for the empirical investigation. The primary data that was used in this research followed structured close ended questionnaire. When the researcher knows what is required and how to measure the variables of interest, a questionnaire is an efficient data collection mechanism (Sekaran, 2003).

3.5.2 Secondary Data Collection

Secondary data was also used in support to the primary data. This was collected using the content analysis of the annual reports of the financial statements of the Kenya Revenue Authority. According to Hussey and Collis (2007:198), secondary data, is data collected by the researcher in the field of study. Secondary data analysis saves time that would otherwise be spent collecting data. A clear benefit of using secondary data is that much of the background work needed has already been carried out, for example: literature reviews, case studies, published texts, the internet and accredited journals. Secondary data is the data that is already available from other sources. Such data are easier and more quickly obtainable than the primary data (Sekaran, 2003).

3.6 Data Collection Instruments

The instruments that were used are the questionnaires and interview schedule. The questions covered areas of objectives of the thesis and the conceptual framework. Both primary and secondary data were used to obtain information for the success of this research. Primary data were obtained through self- administration of questionnaires and observations. These two methods were identified because of their

advantages and ability to compliment the other. The respondents were required to fill the designed questionnaire so as to assist the researcher with the data that were needed in the study. The questionnaire was the main tool used in the research. The questionnaire consisted of questions and statements. Secondary data were obtained from research journals and the company reports and documents.

3.6.1 Questionnaires.

According to Kothari (2004), a questionnaire is a popular method of collecting data. Kerlinger (1973) adds by saying that a questionnaire is an appropriate data collecting instrument as it gives the respondent time to give out well thought answers and also effective when analyzing collected data especially using computer coding. This was applied to sampled participants.

3.6.2 Interviews

Preparation of interview schedules was meant for some respondents for purpose of getting emphatic and clarified information.

3.6.3 Document Analyses

There are official documents pertaining to entrepreneurial intention of students such as curriculum, the syllabuses, the government policy and procedures to be analyzed. This document was for the secondary data to give the researcher a general background on the subject of study. Since official records are vital sources of data, it is necessary to include documents which supplement the questionnaires. The

documents were scrutinized and analyzed to get a deeper understanding of the policy and help the researcher to analyze the findings. It also helped the researcher to verify what is happening in the company regarding the environmental influence of employee tenure and performance.

3.7 Pilot Study

The pilot study or test is performed to refine the questions on the questionnaire to eliminate ambiguity or bias where necessary so that the measuring instrument is fine tuned for data collection. For the purpose of this study, 20 participants from Organization in Western region were sampled to participate in this study and they were randomly selected to test the questionnaire so that the necessary revisions were made before administration of the questionnaire to the target respondents. The respondents were not included those in the target population of 250 elements. The omission of pilot study is a big error, as researchers always rush to get into the main inquiry (Bhattacharyya (2003). The pilot study omission error must be avoided as the pilot study increases the precision of a research project (McBurney, 2001). Moreover, the researcher should be satisfied that the procedures are effective and free from errors and are reliable and valid (Sarantakos, 2000). That means, so as to successfully complete a sound research project, a pilot study is mandatory (De Vos, *et al.*, 2007).

The entire procedure and instrument must be open for criticism and comments by the random participants and the input by the respondents must be considered when amending the questionnaire for the main enquiry (Burns and Bush, 2010). Pilot

studies accumulate data from the ultimate subjects of the research project to serve as a guide for the larger study (Zikmund, 2003). Once a *modus operandi* has been developed, a pilot study should be conducted to find the flaws in the procedure. The procedure of a pilot study is priceless and is an aid to careful research (Cohen and Marion, 2003). A pilot study of the questionnaire for this research was undertaken to determine if the proposed data analysis techniques can have any potential problems; to authenticate if the research procedure was realistic and workable for this study; and to determine the elimination of any ambiguities that can create statements and instructions that may be confusing in the questionnaire (Blumberg, *et. al.* (2005).

3.7.1 Validity of the Questionnaire

Determining validity of the instrument was one indispensable characteristics of measurement that must be considered in establishing the appropriateness and usefulness of instruments of measurements. Although this instrument was valid, face and content validity of the instruments were established again by a panel of expert. Researchers generally determine validity by asking a series of questions, and will often look for the answers in the research of others (Orodho, 2008). A pilot study was carried out to determine the validity of the questionnaire; a pilot study was conducted in a similar environment prior to the actual research. The participants in the pilot study were not included in the actual research.

Table 3.2: Pearson Correlations of all Constructs with the overall Organisational Performance (OP) (n=250)

Subscales	OP	KC	SSS	SWE	CE
(OP)	1.00				
Knowledge Competency (KC)	.623	1.00			
Skills Support system (SSS)	.510	.524	1.00		
Stable Work Environment (SWE)	.452	.486	.492	1.00	
Cost Effectiveness (CE)	.329	.446	.338	.312	1.00

All correlations are significant at the 0.01 level (2-tailed)

Therefore validity of the instrument was realized after the researchers had examined the content of the instruments, through judgment of experts and the supervisors' validations, which guided the researchers. The study applied different techniques to assess the Cronbach's (1951) reliability coefficient alpha and to assess face and construct validity. In order to ascertain face validity, an initial questionnaire was passed through the routine editing after it was given to the panel of experts. They were asked to respond to the questionnaire. Very few comments were received and some minor changes were done to enhance the clarity.

3.7.2 Reliability of the Questionnaire

A reliability of the measuring instrument addresses the question of whether the results of the measuring processes are consistent on occasions when they should be consistent (Trochim, 2006). It is a statistical concept that is related to consistency and dependability, that is, consistency in obtaining the same relative answer when

measuring phenomena that have not changed (Burns and Bush, 2010). Questionnaires have a very limited purpose as they are often one-time data gathering methods with a very short life, administered to a limited population (Norval, 2006). The following are important parts of reliability: test-retest reliability (coefficient correlation of stability). Consistency is estimated by comparing two or more repeated questions of the measuring instruments. This gives an indication of the dependability of the result on one occasion which may then be compared with the results obtained on another occasion and internal consistency reliability. This indicates how well the test items measure the same thing (Blumberg, *et al.*, 2005). In this study reliability of the questionnaire was determined using a sample of respondents. The items were measured by a 5-point Likert-scale, which ranged from strongly disagree (1) to strongly agree (5). Reliability analysis was subsequently done using Cronbach's Alpha which measures the internal consistency to establish if certain items within a scale measure the same construct. Cronbach Alpha was established for every variable.

Table 3.3: Reliability & Validity Analysis

Constructs	No of	No of	Alpha value	Mean	Std	
Variance	original	items	(.60 and above)		Dev	<.50
	explained	retained				
	items					
Organisational Performance	15	12	0.7839	4.03	.480	.57
Knowledge						
Competency	10	07	0.8102	3.87	.441	.52
Skills Support						
System	15	08	0.9195	3.79	.609	.63
Stable Work						
Environment	10	06	0.8761	4.00	.452	.58

Cost Effectiveness	10	06	0.7969	3.45	.779	.74
Total	60	39		3.82		.60

(Number of items retained that has corrected-item total >.40)

The results in Table 3.3 indicate that Stable Work Environment had the highest reliability ($\alpha= 0.9195$), followed by Knowledge Competency ($\alpha=0.8102$), Skills Support System ($\alpha=0.7969$) and Organizational Performance ($\alpha=0.7839$). This is an illustration that all the four variables were reliable as their reliability values exceeded the prescribed threshold of 0.7. This concurs with Gliem & Gliem (2003) who established the Alpha value threshold at 0.7.

3.7.3 Measurement and Scaling of Data

Measurement is an underlying concept in conducting a questionnaire survey. Basically, measurement is the process of allocating numbers to a variable based on a set of rules. To measure a concept (often referred to as an operational definition), it is necessary to have an indicator or indicators that represent the concept (Bryman, 2012). Although operationalization is very straight forward for variables such as age or level of education it is much more difficult for variables such as governance, organisational performance or performance, so where the concept is abstract, complex, and not directly observable, latent (unobservable) variables or constructs are applied (Hair et al., 2014). latent variables are theoretical creations based on observations that cannot be observed directly or indirectly and must be inferred from measurable or observable indicators (Manifest variable), Babbie, 2013; Polites, Roberts and Thatcher, 2012) each of these indicators that serve as proxy variables

would represent a single separate aspects of a larger abstract concept (Hair *et al.*, 2014).

The second issue in developing a measurement instrument is the measurement scale. A measurement scale is a tool with predetermined number of closed- ended responses that can be used to obtain an answer to a question (Hair *et al.*, 2014). Measurement scales are categorized into four different types, including nominal, ordinal, interval and ratio. Each of the scales represents a different level of measurements (Babbie *et al.*, 2013; Hair *et al.*, 2014). Nominal scales are the lowest level of scales because they restrict the analysis options by assigning names or numbers to variables that enable us to identify or classify those variables. These scales can be composed of several categories, but they should all be mutually exclusive. The ordinal scale is the next high level of scale that arranges attributes of variables in some order; from low to high from less, and so on with result being they add the quality of rank ordering to the measured variables (Babbie *et al.*, 2013).

However, these ranked values are not based on equal difference between variables so the means or variances for ordinal data cannot be calculated. The interval scale is the next measurement scale and it not only gives the same ranking capability as an ordinal scale, it also provides precise information on the distances between the attributes of variable, by capturing the differences in values (Hair *et al.*, 2014). Although interval scale enables the researcher to carry out almost any type of mathematical computations including the mean and standard deviation, it does not

provide the absolute zero point, and therefore the values of zero in an interval scale does not mean there is no value (Mooi and Sarstedt, 2011). To include this information in measurement, the ratio scale should be used that is at the highest level of measurement (Hair *et al.*, 2014).

After choosing the scales to measure the indicators and constructs, the next thing that should become clear is the coding style. Coding is about assigning numbers to categories in a way that facilitates measurements (Hair *et al.*, 2014). Coding is a critical issue in the application of multivariate analysis; for instances when Likert scales (which are very popular in questionnaire surveys) are used in a research, it is necessary to code the categories so they are symmetric and equidistant (Babbie *et al.*, 2013). After fulfilling this requirement, the outcome values can be treated as the results of interval scales. This means that while the Likert is ordinal, it can approximate an interval level measurement and the corresponding variables can be used in multivariate analysis ((Hair *et al.*, 2014).

The measurement scale and coding style applied in this study are shown in Appendix 1, although in a summary all the items related to Organisational Performance (OP) were defined as ordinal variables to arrange different attributes of the construct in order. These items were rated on a- Seven Point Likert Scale (1= Strongly disagree, 4= strongly agree).

3.8 Analysis of Data

Data analysis as data that is statistically analyzed in order to determine whether the generated hypotheses have been supported (Sarantakos, 2000). The questionnaires were collected and counted to ensure that all respondents had answered and completed the questions. The returned questionnaires were coded and captured on the computer. De Vos, *et al.* (2007) describes data analyses as the process of bringing order, structure and meaning to the mass of collected data.

Questionnaires received from respondents, content analysis and interview schedules were checked for completeness with repeat calls being made for incomplete questionnaires to maintain the number of respondents. Categorization and coding was then done and data entered into SPSS for windows version 20 for analysis. Both descriptive and inferential tests were used in the analysis. Data was described or summarized using descriptive statistics such as mean and frequencies, which helped in meaningfully describing the distribution of responses. Various inferential statistics was used to infer population characteristics from the sample. Pearson's correlation coefficient was used to establish relationships between variables.

A multiple linear regression model was used to predict organization performance using the four independent variables in the study: knowledge competency, skills support system, Stable Work Environment and cost effectiveness. In addition, the β coefficients for each independent variable generated from the model was subjected to a z-test, in order to test each of the hypotheses under study. The regression model used to test is shown below:

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

Where; Y – Organizational Performance (OP)

α - Constant

$\beta_1, \beta_2, \beta_3$ and β_4 - Coefficient indicating rate of change of organizational performance as employee tenure measured by its four dimensions of knowledge competency, skills support system, Stable Work Environment and cost effectiveness changes.

X_1 – Knowledge Competency (KC)

X_2 – Skills Support System (SSS)

X_3 – Stable Work Environment (SWE)

X_4 – Cost Effectiveness (CE)

ϵ - Error term

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 20. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$.

3.8.1 Regression and Diagnostics

Abbot and Mckinney (2013) define an outlier as an extreme case that distorts the true relationship between variable, either by creating a correlation that should not exist or suppressing a correlation that should exist. Miles and Sherlin (2001) Posit that outliers are aberrant scores that lie outside the usual range of scores that could be expected for a particular variable. An outlier therefore is an extreme score or response to a particular question which is very different from the rest of the responses.

These unusual scores may cause bias in the research model, and consequently, distort the findings (Faeld, 2013; Hair *et al.*, 2014). In multivariate data, outliers for ordinal variables are those units representing an unusual combination of the categories of the ranks of the variables (Ollila, 2014). To address the problem of outliers, the study reported the results from robust regression, which generates Ordinary Least Square (OLS) estimates robust to the presence of outliers. To protect against multi-collinearity, procedures outlined by Neter *et al.* (1989) were followed.

Variance Inflation Factors (VIF) was used to test for collinearity. ViFs for all regression equations were less than 2. The highest variance inflation factor was 1.35, which is well below the value of 10, the cut point recommended by Neter *et al.* (1985) and Chatterjee and Price (1991). These computations indicated that there was no evidence of problematic multi-collinearity. This result rules out the presence of multi-collinearity. Checks for the violation of the assumption of the regression analyses yielded no substantive violations.

3.9 Ethical Considerations

The study observed and complied with the ethical procedures to protect the rights of the research participants, involving the principle of voluntary participation which requires that participants do not need to be coerced into participating in this research. The following ethical measures were adhered to (Sekaran, 2003). The thesis strived to ensure that no attempt is made to harm participants deliberately and those who could experience any form of harm be it through victimization, emotional or otherwise,

were informed in advance of their right to withdraw from participating in the study. Confidentiality means that information from participants was not to be divulged to the public nor made available to colleagues, subordinates or superiors. In this study, all information about participants was treated with confidentiality and the participants were anonymous (Saunders, *et al.*, 2003). A covering letter also assured respondents that all responses would be treated with confidentiality and anonymity.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.0 Introduction

The main objective of this chapter is to obtain usable and useful information. It describes, and summarizes the data, identify relationships between variables, compare variables, identify the difference between variables and forecasts outcomes aiming to answer the research questions. As already indicated in the preceding chapter, data is interpreted in a descriptive form. The purpose of this study was to investigate the effects of employee tenure on organizational performance. This chapter comprises the analysis, presentation and interpretation of the findings resulting from this study.

4.1 Response Rate

The response rate of the respondents is critical to this study because it reflects the in-depth of the data gathered. Questionnaire forms were used to collect data required for the study and a total of 250 questionnaire forms were distributed to the sampled participants. Out of the 250 questionnaires distributed, 200 (80.00%) were appropriately filled and returned, this were marked complete. The rest (20.00%) were either not returned or were partially filled, and were marked incomplete and so were discarded during analysis. A response rate of 50% and above is acceptable (Mugenda,

2003). Therefore a return of 200 (80.0%) of the questionnaires was considered a success and acceptable for this research. The results are as shown in Table 4.1.

Table 4.1: Response Rate of Respondents

Participant Type	N	Returned	Not Returned	Sub-Total
Mid Level Employees	13	10 (04.0%)	03 (1.2%)	13 (05.2%)
Lower level Employees	237	190 (76.0%)	47 (18.8%)	237 (94.8%)
Total	250	200 (80.0%)	50 (20.0%)	250 (100.0%)

4.2 Demographic Information

This section of the questionnaire covered the respondents' gender, marital status, highest level of education, and age bracket age. The demographic information is important to visualize the general picture of any environment being considered for research. This research considered the following areas of demographic features in order to understand more about Organizational Performance and employee tenure. Finding out the general information of the respondents is very important because it enables the researcher to gauge the reliability of the data received and know the type of people that he/she is dealing with. Though not central to the study, the personal data helped contextualize the findings and the formulation of appropriate recommendations to enable more organizations to utilise or not the concept that employee tenure is likely to influence organisational performance.

4.2.1 Respondents' Gender

This section of the questionnaire covered the respondents' gender. The participants were asked to indicate their gender. Gender was important since it would determine the degree of management approach of the organisation as well as the tenure of employee gender dominance. The results are as shown in Table 4.2.

Table 4.2: Distribution of Respondents' Gender

Valid	Frequency	Percent	Valid
Percent			
Male	134	67	67
Female	66	33	33
Total	200	100	100

Results in Table 4.2 indicate that male accounted for 134 (67%) and female 66 (33%). This implies that majority of participants are male accounting for over 60% of the total participants of this study. The gender results indicate the skewed representation of employee performance and also the tenure; however, it informs the study that KRA Western region is gender imbalanced in terms of employment of its staff according to the participants of this study.

4.2.2 Respondents Marital Status

The participants were asked to indicate their marital status by the time they were completing the questionnaire. The results are as shown in Table 4.3.

The results in Table 4.3 indicate that 06 (03%) were single, 154 (77%) married, separated/divorced accounted for 14 (07%), while widowed accounted for 26 (13%).

This imply that majority of participants were married.

Table 4.3: Distribution of Respondents' Marital Status

Valid	Frequency	Percent	Valid
Percent			
Single	06	03	03
Married	154	77	77
Separated /Divorced	14	07	07
Widowed	26	13	13
Total	200	100	100

It is period of maturity where majority of people settle to real life situation including a decision to stay longer or shorter in employment. The results are indication that married participants influence the longevity decision hence the performance of their organization.

4.2.3 Respondents' Highest Level of Education

The participants were asked to indicate their level of education during the time they were completing the questionnaire. The results are as shown in Table 4.4.

Table 4.4: Distribution of Respondents' Highest Level of Education

Valid	Frequency	Percent	Valid
Percent			
Primary /Secondary	06	03	03
Certificate	10	05	05
Diploma	06	03	03
Bachelors Degree	124	62	62
Masters Degree	40	20	20
PhD	14	07	07
Total	200	100	100

The results in Table 4.4 indicate that primary/secondary school level scored 05(03%), certificate level scored 10 (05%), diploma scored 06 (03%), Bachelors Degree 124 (62%), Masters Degree scored 40 (20%) while PhD level of education scored 14 (07%). This implies that with more knowledge, skills and education training level, many participants undertook to tertiary education that may improve their knowledge competency, skills support system, Stable Work Environment and cost effectiveness adding value to their tenure at the current employment environment. That means having completed their bachelor degree level of education would have afforded the

participants more opportunities to be competitive and productive, conditions that are likely to influence organisational performance. Better education would benefit not only the employees but also the employers this combined with employee longevity may influence their productivity in the work place.

4.2.4 Respondents' Ages Bracket

The respondents were asked how old they were at their previous birthdays. The results are as shown in Table 4.5.

Table 4.5: Distribution of Respondents' Ages at the time of completing the Questionnaires

Valid	Frequency	Percent	Valid
Percent			
18-24	20	10	10
25-34	60	30	30
35-44	46	23	23
45-54	40	20	20
55–Above	34	17	17
Total	200	100	100

The results in Table 4.5 indicate that the age bracket of participants ranged from 25-54 mainly. This range scored the highest frequencies and percentages. The age bracket of 18-24 scored 20 (10%), 25-34 scored 60 (30%), 35-44 scored 46 (23%), 45-54 scored 40 (20%) while 55–Above scored 34 (17%). This implies that the modal age bracket was 25-44. It should be borne in mind that employees age bracket

determines job experience and likely to determine the tenure as experience gained is a prerequisite of employee tenure with a given organization.

4.2.5 Employee Tenure Period with Current Employer

This study also sought to establish the length of time participants have taken in their current designations; the results were as shown in Table 4.6. The respondents also indicated in Table 4.6 that they have been to the firm on the following length of time: recently appointed accounted for 10 (05%), less than 10 years 36 (18%), 10-30 years 80 (40%), 30-40 years accounted for 54 (27%) while 40-Above category accounted for 26 (13%). This implies that the modal employee tenure was 10-30 years.

Table 4.6: Frequency Distribution of Duration in the Organization

Duration in the post	Frequency	Percent	Valid Percent
Valid recently appointed	10	05	05
Less than 10 years	36	18	18
10-30 years	80	40	40
30-40 years	54	27	27
40-Above years	20	10	10
Total	200	100	100

The results also imply that the majority of the participants have been with their current employer as from less than 10 years to 40 years. This tenure period is a factor enough for employees to acquire work experience for they have gone through many trainings and development, undergone many challenges necessary for Learning, Growth and Process. That if the tenure affects knowledge competency, Stable Work

Environment, skills support system and cost effectiveness then they are old enough to be influenced.

4.3 Organisational Performance

The performance was measured on client loyalty, financial outcomes, and the Learning, Growth and Process. These items were tested in 5-points scale of measure and the results are presented in the section that follows:

4.3.1 Organisational Performance Dimensions

It was important to identify the components of Organisational Performance and their presence in the studied firms. There were four Organisational Performance dimensions, which are financial outcomes, Market share, Learning, Growth and Process and Client Loyalty. The participants were asked to state their level of agreement or disagreement with the statement that the Employee Tenure has influenced each dimension in their respective firms. The results are as shown in Table 4.7.

Table 4.7: Responses to Organisational Performance Dimensions

Item	Disagree Strongly	Disagree moderately	Disagree slightly	Agree slightly	Agree moderately	Agree Strongly
Organisational Performance (OP)						
Financial outcomes	0%(0)	0%(0)	1%(2)	55%(110)	34%(68)	7%(14)
Market share	5%(10)	0%(0)	10%(20)	35%(70)	25%(50)	25%(50)
Learning, Growth and Process	0%(0)	4%(08)	3%(06)	19%(38)	34%(64)	40%(80)
Client Loyalty	0%(0)	0%(0)	0%(0)	10%(20)	47%(94)	40%(80)

Overall OP **3%(06) 2%(04) 14%(28) 28%(56) 40%(80) 13%(26)**

The results in Table 4.7 show that financial outcomes scored 55% on agree slightly, agree moderately accounted for 34% while agree strongly scored only 7%. This was an indication that majority of the sampled participants were of the opinion that there is slight presence of financial outcomes activities in the Kenya Revenue Authority sampled Western Region. The results for market share show that slightly agree accounted for 35%, agree moderately accounted for 25% while agree strongly scored only 25%. This was an indication that majority of the sampled participants were of the opinion that there is slight prevalence of market share of Organisational Performance activities in the firm. This implies that there are some concerns to the operations that will lead to efficiency in revenue collection which concur with the findings of Dyduch, (2008).

The results for Learning, Growth and Process indicate that that slightly agree accounted for 19%, agree moderately accounted for 34% while agree strongly scored only 40%. This was an indication that majority of the sampled participants were of the opinion that they agree very much that Organisational Performance activities of Learning, Growth and Process is highly prevalent in this organisation. This infers that the revenue collector has taken initiatives that promote Learning, Growth and Process for example introduction of iTax and other ICT programmes that are meant to increase efficiency and reduce tax compliance complexity among tax payers in Kenya. Finally the results also indicate that Client Loyalty accounted for 10% on

slightly agree, 47% on moderately agree and 40% on very much agree that there is prevalence of Client Loyalty activities in the institution.

This implies that there majority of the sampled participants were of the opinion that Client Loyalty activities are moderately and highly practiced in this organisation. This may be influenced by the desire to have all tax payers to be loyal so as to reduce tax evaders and avoidances as this would enable cost of revenue collection minimized and enable the organisation achieve its target of revenue collection. This infers that many of the departments have strong concern to their Client Loyalty; these findings are in agreement with the findings of Kuratko D. F., Hornsby, J. S., and Covin, J. G., (2014) who also found out that Client Loyalty is an important element of Organisational Performance and therefore corporations ensure that it has high level of prevalence.

To further analyse the results in Table 4.7, it show that financial outcomes is the strongest dimension of Organisational Performance, it scored 45% (90), it was followed by Client Loyalty that scored 44% (88), Learning, Growth and Process scored 37% (74) while market share scored 30% (60), when all the highest frequencies are added together and divided by two, multifactor analysis of likert scale scores. This infers that sampled participants agreed that financial outcomes and Client Loyalty are critical to their western regional departmental performance intensities. These findings agrees with the results of Aktan and Bulut, (2008) who also found out

that financial outcomes is needed for companies to steer entrepreneurial growth and regenerate new opportunities for financial outcomes.

4.3.2 The Mean Scores on Organisational Performance Dimensions

There are three indicators used to measure Organisational Performance in terms of Knowledge Competency, Market share, Learning, Growth and Process and Client Loyalty that determines the firms' strong desire to improve on its Organisational Performance activities. The higher the mean and low standard deviation indicates a moderately high and stable Organisational Performance activity level in the sampled listed firms while highest mean with low standard deviation implies the moderately high level of Organisational Performance and the small mean and large standard deviation implies low level of Organisational Performance activities in the sampled listed firms. The results are as shown in Table 4.8.

Table 4.8: Overall Mean Scores on Organisational Performance and its Indicators

	<i>N</i>	<i>Mean</i>	<i>Std. Dev</i>
OP Activities	200	4.6364	.10045
Financial outcomes	200	2.0123	.13213
Market share	200	3.1284	.21457
Learning, Growth and Process	200	3.6699	.11482
Client Loyalty	200	3.9876	.00541

Results in Table 4.8 show the descriptive statistics of the three indicators of Organisational Performance level as determined by the four components. The mean scores for each indicator ranged from 2.0123(SD = .13213) to 4.6364 (SD = .10045). Financial outcomes of the firm had the highest mean and least deviation, followed by Client Loyalty of the firm, next was Learning, Growth and Process activities of the firm with a mean of 3.6699 and standard deviation of .11482 and lastly was Market share of the firm with a mean of 3.128 and a standard deviation of .21457. Overall, the item mean for Organisational Performance was 4.6364 (SD = .10045), which was slightly below average. This implies that there is high level of concentration on financial outcomes and Client Loyalty activities in the sampled firm as reported by the participants. These results concur with that of Kabiru and Sakiyo, (2013) show that the overall mean (1.83) of all items indicate low level of competence by the two groups of respondents indicating that firm performance activities is at its lowest level.

4.3.3 Level of performance of this Organization

The section sought to determine the performance level of the case organization in this study. The results are as shown in Table 4.9.

Table 4.9: Frequency Distribution of Level of performance of this Organization

Organisation Performance Score		U	IN	ME	E	EE	Total
1.	Financial Outcomes	freq	38	22	08	70	200
		%	19.0	11.0	04.0	35.0	31.0 100%
2.	Market Share level	freq	28	20	10	92	200
		%	14.0	10.0	05.0	46.0	25.0 100%
3.	Learning, Growth and Process	freq	34	08	24	78	200

		%	17.0	04.0	12.0	39.0	28.0	100%
4.	Clients Loyalty	freq	32	24	10	70	64	200
		%	16.0	12.0	5.0	35.0	32.0	100%

Results in Table 4.9 show that the performance item of financial outcomes scored 19.0% (38) for unsatisfactory (U), Improvement needed (IN) 11.0% (22), Meets expectations (ME) 04.0% (08), Exceptional (E) 35.0% (70) and Exceeds Expectation (EE) 31.0% (62).

This implies that majority 70.0% (140) of the sampled respondents approved the performance of this organisation as meets expectation. This is confirmed by the historical information in the annual reports where growth performance in three out of five departments of revenue collection surpassed 100%. The remaining two departments also recorded a result of 99.9% and 99.3% respectively in the financial year 2013/2014. That means the actual results were more than budgeted expected performance. This is an indication that the level of financial viability is significantly stable.

In relation to the market Share level, the result show that unsatisfactory accounted for 14.0% (28), Improvement needed (IN) 10.0% (20), Meets expectations (ME) 05.0% (10), Exceptional (E) 46.0% (92) and Exceeds Expectation (EE) 25.0% (50). This implies that the participants also approved the market share level of the studied organization as satisfactory, especially exceptional 46% (92) that accounted for close to a half of the sampled population. In general 76.0% (152) proportion of the

participants approved the performance of the market share of the firm. This is also a case to note as there is presence of the organisation in the entire country as divided into regions. Moreover, the performance based on learning, Growth and Process show that unsatisfactory accounted for 17.0% (34), Improvement needed (IN) 04.0% (08), Meets expectations (ME) 12.0% (24), Exceptional(E) 39.0% (78) and Exceeds Expectation (EE) 28.0% (56). This implies that learning, growth and process is also exceptionally at higher level of performance. It is also a case to note since there are many areas where employees have been taken to training and development.

In addition to that, the performance based on clients loyalty show that unsatisfactory accounted for 16.0% (32), Improvement needed (IN) 12.0% (24), Meets expectations (ME) 05.0% (10), Exceptional(E) 35.0% (70) and Exceeds Expectation (EE) 32.0% (64). The Client Loyalty has also been approved as has performed very high this may be the reason why the data on the content analysis reveals that there is improved Organizational Performance, on time tax returns filings through iTax online system, increased tax avoidance detection rate and other areas of performance of loyalty. Generally, the results show that Learning, Growth and Process scored the highest 79% (158) followed by market share 76% (152), then clients' loyalty at 72% (144) and finally financial outcomes which accounted for 70% (140) in the approved performance rating. This implies that the performance of the case organisation is essentially a concern of the financial drivers such as Learning, Growth and Process, market share, and clients' loyalty hence the reason for least scores for financial outcomes.

4.3.4 Degree of Achievement of Desired Performance

Participants were asked if the organisation achieves its desired targets such as financial outcomes that includes increased revenue collection, minimized cost of operations, return on investment, profits as a percent of collections, the firm's net income before taxes, and the present value of the firm, market coverage, revenue collection growth, client compliance level, risk detection and management, resource utilization growth, client loyalty growth, revenue collection growth, assets growth and expenditure growth. There were 12-items used to determine from participants if employee tenure has an influence on organisational performance. The results are as shown in Table 4.10.

The results in Table 4.10 show that that strongly agree accounted for 23.0% (46), agree 37.0% (74), none 15.0% (30), disagree 15.0% (30) and strongly disagree 10.0% (20). This implies that majority of participants agree 37.0% (74) and strongly agree 23.0% (46) that the organisation has been able to maintain strong performance in return on investment due to employee longevity. The next item of Organisational Performance indicator was that there have always been increased profits as a percent of revenue collected to employee length of stay in the firm. The results show that strongly agree accounted for 22.0% (44), agree 32.0% (64), none 21.0% (42), disagree 04.0% (08) and strongly disagree 21.0% (42). This implies that majority of participants agree 32.0% (64) and strongly agree 22.0% (44) that there have always been increased profits as a percent of revenue collected to employee length of stay in the firm.

Moreover, it was shown that strongly agree accounted for 24.0% (48), agree 20.0% (40), none 14.0% (28), disagree 22.0% (44) and strongly disagree 17.0% (34) that the firm's net income before taxes has always been increasing annually. This implies that majority of participants agree 32.0% (64) and strongly agree 21.0% (42) that employee tenure has always enhances annual increments in the net income before taxes. Apart from that, the study also asked to find out if the present value of the firm has maintained healthy and stable results. In Table 4.10, the results show that strongly agree accounted for 31.0% (62), agree 19.0% (38), none 17.0% (34), disagree 19.0% (38) and strongly disagree 13.0% (26).

Table 4.10: Distribution of Influence of Employee Tenure on Performance

Statement on Influence of Employee tenure on performance		SD	D	N	A	SA	Total
Valid	The organisation has been able to maintain strong performance in return on investment due to employee longevity	freq 20 % 10.0	30	30	74	46	200 100
	There have always been increased profits as a percent of revenue collected to employee length of stay in the firm	freq 44 % 22.0	08	42	64	42	200 100
	The firm's net income before taxes has always been increasing annually	freq 36 % 18.0	44	30	40	50	200 100
	The present value of the firm has maintained healthy and stable results	freq 28 % 14.0	38	34	40	60	200 100
	The firm has been able to increase its marked coverage in the region	freq 36 % 18.0	32	24	62	46	200 100
	It has been possible to achieve intended targets of revenue collection and growth in new areas expanding coverage of tax collection	freq 28	36	32	62	42	200

	%	14.0	18.0	16.0	31.0	21.0	100
Client Compliance Level has enabled the cost reduction in investigating tax evaders and avoidances	freq	30	40	20	56	54	200
	%	15	20.0	10.0	28.0	27.0	100
The firm has increased wealth of risk detection and management	freq	36	36	24	56	48	200
	%	18.0	18.0	12.0	28.0	24.0	100
There has been growth in efficiency in resource utilization	freq	34	28	32	60	46	200
	%	17.0	14.0	16.0	30.0	23.0	100
Growing client loyalty is because of continuity among employees	freq	54	20	44	50	32	200
	%	27.0	10.0	22.0	25.0	16.0	100
Employee longevity has influenced stability in revenue collection at minimum costs due to their length of experience in areas that are critical to the exercise	freq	30	20	20	74	56	200
	%	15.0	10.0	10.0	37.0	28.0	100
The organisation has seen its assets growing due to effectiveness and efficiency of employee longevity	freq	40	20	10	72	58	200
	%	20.0	10.0	05.0	36.0	29.0	100

This implies that majority of participants strongly agree 31.0% (62) that the present value of the firm has maintained healthy and stable results because of employee tenure.

In relation to the statement that the firm has been able to increase its marked coverage in the region, results in Table 4.10 show that strongly agree accounted for 23.0% (46), agree 31.0% (62), none 12.0% (24), disagree 16.0% (32) and strongly disagree 18.0% (36). The results is an indication that majority of participants in this study agree at 31.0% (62) that the firm has been able to increase its marked coverage in the region as a result of employee tenure.

At the same time, the results also show that strongly agree accounted for 21.0% (42), agree 31.0% (62), none 16.0% (32), disagree 18.0% (36) and strongly disagree 14.0% (28). This is an indication that majority of the participants agree at 31.0% (62) that employee longevity has enhanced achievements of intended targets of revenue collection and growth in new areas expanding coverage of tax collection.

This question sought to establish if the organisation has been able to achieve desired client compliance and also if it this compliance has enabled cost reduction in investigating or chasing on tax evaders and avoidances processes. The results show that strongly agree accounted for 27.0% (54), agree 28.0% (56), none 10.0% (20), disagree 15.0% (30) and strongly disagree 20.0% (40). This implies that majority of participants agree 28.0% (56) and strongly agree 27.0% (54) that the organisation has been able to achieve desired client compliance and also if it this compliance has enabled cost reduction in investigating or chasing on tax evaders and avoidances processes as a result of employee longevity.

The study also sought to determine if the firm has increased wealth of risk detection and management. The results in Table 4.10 show that strongly agree accounted for 24.0% (48), agree 28.0% (56), none 18.0% (36), disagree and strongly disagree 18.0% (36) each. This implies that majority of respondents agree at 28.0% (56) and strongly disagree at 24.0% (48) that the firm has increased wealth of risk detection and management through employee longevity. At the same time, the results show that strongly agree accounted for 23.0% (46), agree 30.0% (60), none 16.0% (32),

disagree and strongly disagree accounted for 14.0% (28) and 16.0% (32) respectively with reference to the statement that there has been growth in efficiency in resource utilization. This implies that majority of the participants disagree that employee tenure has influenced performance in the area of growing in efficiency in resource utilization.

On the statement whether, employee longevity enhances growth in client loyalty is because of continuity among employees. The results in Table 4.10 show that strongly agree accounted for 16.0% (32), agree 25.0% (50), none 22.0% (44) while disagree and strongly disagree accounted for 10.0% (20) and 27.0% (54) respectively. This implies that majority of the participants agreed with the statement that employee longevity enhances growth in client loyalty is because of continuity among employees.

On the statement whether, employee longevity has influenced stability in revenue collection at minimum costs due to their length of experience in areas that are critical to the exercise. The results in Table 4.10 show that strongly agree accounted for 37.0% (74), agree 28.0% (56), none 10.0% (20) while disagree and strongly disagree accounted for 15.0% (30) and 10.0% (20) respectively. This implies that majority of the participants agreed with the statement that the firm's ability to achieve desired results stability in revenue collection at minimum costs due to their length of experience in areas that are critical to the exercise is because of employee longevity.

Lastly, in relation to the statement whether, the organisation has seen its assets growing due to effectiveness and efficiency due to employee longevity. The results in Table 4.10 show that strongly agree accounted for 36.0% (72), agree 29.0% (58), none 05.0% (10) while disagree and strongly disagree accounted for 10.0% (20) and 20.0% (40) respectively. This implies that majority of the participants agreed with the statement that the organisation has seen its assets growing due to effectiveness and efficiency due to employee longevity.

These results concur with the findings of Liu G. and Sun J. (2010) who found out that there is strong evidence that the proportion of long tenure directors on the independent audit committee is negatively associated with earnings management, suggesting that independent audit committee members with long board tenure have greater expertise and experience to effectively oversee financial reporting. However, the results disagree with the findings of Kersten (2006) who found out that eliminating teacher tenure would increase student achievement, suggesting that tenure may be a primary barrier to student achievement. Additional responses show that an overwhelming majority (91%) of respondents agreed that tenure law inhibits the dismissal of below average teachers, strong negative opinions that generated a case for this empirical research to appropriately determine whether these arguments have merit and should be factored into the policymaking process.

4.3.5 Organisation Performance Ratings

This question sought to establish the level of Organisational Performance given that there is indication that the Organisational Performance sampled organisation. The overall performance of the regional departments of KRA were rated based on 5-performance ratings that included leading performance, strong performance, solid performance, building performance and not meeting expectations. The results are shown in Table 4.11.

Table 4.11: Organisational Performance Level

Level	Frequency	Percentage
Valid Leading Performance	20	10.0
Strong Performance	40	20.0
Solid Performance	130	65.0
Building Performance	10	05.0
Not Meeting Expectations	00	00.0
Total	200	100.0

This means effective performance a reflective of a fully qualified and experienced individual in this institution, in which job are done and effectively prioritized work thus contributes to the overall objectives of the department and or the organization thereby achieving valuable accomplishments in several critical areas such as financial outcomes, learning, growth and processes as well as Client Loyalty.

4.3.6 Analysis of Organisational Performance Level

The study sought to explore on the level of Organisational Performance. This was important to establish the degree of application of Organisational Performance concept within the departments of KRA in western region. The level of performance was categorized as low, high and very high to indicate the presence of all items of measure. The performance measurements comprised of firms' degree of organisational performance and firm's frequency of organisational performance. The degree of organisational performance was measured using a nine question, 5-point likert scale type ranging from strongly disagree with the question to strongly agree, while the frequency of organisational performance was measured using a six question, 5-point likert scale. Performance was measured by the firms' value added. Results are shown in Table 4.12.

Table 4.12: Statistical Analysis of Items of Organisational Performance Level

Level of Performance added	Mean	Std. Dev.	Min	Max	Mode	Corr with value
1	3.786	0.933	2	5	3	0.412
2	4.561	0.935	1	5	5	0.187

3	3.145	1.110	1	5	3	-0.154
4	3.116	1.113	1	5	2	0.237
5	2.544	0.977	1	4	2	0.0957
6	4.126	0.875	1	5	5	-0.0677
7	3.659	1.187	1	5	4	-0.093
8	3.131	1.101	1	5	3	-0.160
9	2.645	1.132	1	5	3	0.291
10	3.678	1.190	1	5	4	0.104
11	3.153	1.061	1	5	3	0.158
12	2.645	1.132	1	5	3	0.382

The results in Table 4.12 show the mean values, values of standard deviation, minimal, maximum and mod values on the degree of organisational performance. The correlation coefficients, of the degree of organisational performance and the value added, presented in Table 4.12; show that questions regarding financial outcomes, questions 3, 8 and 9, and market share, questions 5, 6 and 7, are showing negative values. This implies that departments sampled for this study are risk averse and that they are not the first movers in the market place, but are in fact the market holders as they keep to current state of operations. Moreover, items concerning financial outcomes, items 1, 2 and 4 are showing positive values with a presence of mild linear dependency.

Lastly, items concerning Client Loyalty, items 10, 11, and 12 are also showing positive values with a presence of mild linear dependency among the variables. Even though listed firms sampled for this study are not risk takers and are not the first

movers they are still trying to be innovative so they could bring new products, services, ideas, and expertise to the market or could simply hold on to their market positions. Therefore, it can be said that only financial outcomes and Client Loyalty, as dimensions of organisational performance, are factors that have influence on the level of organisational performance. These findings agree with the findings of Galia and Zenou, (2013) who stated that financial outcomes, venture and organizational renewal have influence on Organisational Performance processes and activities.

4.3.7 Frequency of Organisational Performance

The study sought to determine the frequency level of the organisational performance activities of the departments. The results are as shown in Table 4.13.

Table 4.13: Statistical Analysis of Frequency of Organisational performance

Frequency of with Orgnl. Performance added	Mean	Std. Dev.	Min	Max	Mode	Correl value
1	4.13	0.844	2	5	4	0.384
2	3.97	0.775	2	5	4	0.015
3	3.11	1.061	1	4	4	0.278
4	5.26	0.695	3	5	4	0.131
5	4.68	0.623	2	5	4	0.167
6	3.79	1.187	1	5	4	0.189
10	3.10	1.074	1	4	4	0.267
11	3.78	0.785	2	5	4	0.051

12	3.13	1.071	1	4	4	0.287
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The results in Table 4.13 show mean values, values of standard deviation, minimal, maximum and mod values of questions for the frequency of organisational performance. The results indicate the correlation coefficients of frequency of organisational performance and the value added indicating positive values. However, the values are all showing low or some linear dependency which implies that that financial outcomes and Client Loyalty are critical elements of Organisational Performance.

4.3.8 The Mean Scores on Organisational Performance and its Indicators

There are three indicators used to measure organizational performance in terms of financial outcomes, market share, the Learning, Growth and Process and client loyalty. The results are as shown in Table 4.14.

Results in Table 4.14 show the descriptive statistics of the three indicators of Organisational Performance level as determined by the financial outcomes, market share, Learning, Growth and Process and client loyalty. The mean scores for each indicator ranged from 2.0015(SD = .00145) to 2.23457 (SD = .10897).

Table 4.14: Overall Mean Scores on Organisational Performance and its Indicators

<i>N</i>	<i>Mean</i>	<i>Std. Dev</i>
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Organisational Performance	200	2.0015	.00145
Financial Outcomes	200	2.3457	.10897
Market Share level	200	2.1142	.10023
Learning, Growth and Processes	200	2.0172	.00182
Client Loyalty	200	2.0123	.13213

Financial outcomes had the highest mean scores, while organizational performance had the lowest mean and standard deviation scores. Overall, the item mean for organizational performance was 2.0015 (SD = .00145), which was within the lowest average level. This is an indication that the performance level is compliant with the individual items of measure hence a rating of healthy performance.

4.4 Knowledge Competency

Employee tenure was measured using four components. These included: knowledge competency, skills support system, Stable Work Environment and cost effectiveness to determine performance of an organization measured on a 5-point Likert scale and a multifactor questionnaire. These components are presented in the sections that follow:

4.4.1 Elements of Knowledge Competency

Ermine (2005) and Gardi (2010) view knowledge competency as a complex problem in organisations while Sison (2006) suggests two kinds of knowledge in an organization: Declarative and Procedural. Leask and Rathod (2008) describe four tools and techniques which are essential in aiding adoption of knowledge competency as a strategic tool in the running of private and public organizations. The results in descriptive statistics are displayed in Table 4.15 with variables reflecting influence of elements of Knowledge Competency.

Table 4.15: Descriptive Statistics for Elements of Knowledge Competency

Variable	N	Range		Min	Max	Mean	S.D.	Var
	Stat	Stat	Stat	Stat	Stat	Stat	Stat	Stat
KC	200	80.45	-38.0	69.00	4.133	1.17	11.150	240
Behavioural Competency	200	4.77	3.54	5.26	4.100	0.551	0.6240	400
Technical Competency	200	5.96	1.94	2.74	7.965	0.667	1.1772	330
HR Functional Competency	200	7.33	3.18	3.57	0.314	0.581	0.2640	615

The results from Table 4.15 show that the knowledge competency has shown a moderate deviation among the sampled departments of KRA western region. It shows a mean performance of almost 4.13%, the maximum reported influence is around 69% and the minimum is -38.0% with deviation of 11.15 between sampled departments of the firm under study. It implies that the need for knowledge competency adoption as an approach in influencing performance at the Kenya Revenue Authority western region is a result of both internal and external causes. Therefore the government agency adopted various sets of tools and techniques to incorporate it in its corporate plan. The authority adopted various techniques and tools including employee tenure in integrating knowledge competency in its fifth corporate plan.

The mean of the behavioural competency of the knowledge competency is 4.100, with the maximum and minimum are 5 and 4 respectively. The behavioural competency shows an experience of annual frequencies of a maximum of five times the influence in the total degree of influence of knowledge competency. The mean of

the behavioural competency is 55.1%, which is 55.1% of influence of the total influence of knowledge competency on organisational performance leaving the rest 44.9% be influenced by other factors. It implies that institutions such as KRA utilises behavioral competencies to facilitate the application of technical knowledge to effective job-related behaviour and that tenure enhances advanced levels of proficiency in behavioural competencies resulting in effectiveness in the workplace.

The technical competency of the knowledge competency shows an experience of annual frequencies of a maximum of three times influence with a minimum of two levels of experiences. This implies that technical competency registered quite a small level of influences. The mean of technical competency influence is only 66.7%, which is 66.7% of the competency influence on organisational performance activities.

The HR functional competency indicates an experience of annual frequencies of a maximum of four times and a minimum of three times the level of influence. This implies that the HR functional competency registered quite a moderate level of influences on the competency effects of Employee Tenure approaches. The mean of HR Functional Competency is 58.1%, which implies that 58.1% of the total knowledge competency influence on organisational performance. It implies that in the case of KRA western region, employee tenure influences the earning of expertise of knowledge of principles, practices, and functions of effective human resource management in order to establish people, workplace, organisation and strategy for the organisation. This may be the reason why the organisation strategically utilises

graduate trainees who are recruited at their early ages of below 27 years old to undergo training and gain experience needed to improve on its performance outcomes and also achieve targets.

The results are indication that KRA tools and techniques deployed by the authority's top brass were clearly outlined in its fifth corporate plan of 2012/13 -2014/15. They were able to bridge the knowledge gap existent within the various levels of the organization, change the perception of knowledge creation and sharing and ease the completion of tasks in terms of the time resources. They also highlighted the difficulties that public entities face when implementing strategic decisions and their prevalence. This concurs with Matundura (2008) and Thiga (2010) who identified the same factors to have contributed to challenging strategy implementation in government agencies and parastatals in Kenya hindering their performance.

4.4.2 Contribution of Employee Longevity of Tenure to Creation of Knowledge Competency

The study sought to establish the Contribution of Employee Longevity of Tenure to Creation of Knowledge Competency. The question asked was "*Has Employee longevity of tenure contributed to creation of knowledge competency in this organisation?*" the results were as shown in Table 4.16.

Table 4.16: Distribution of Employee Longevity of Tenure Contribution to Creation of Knowledge Competency

Gender	Frequency	Percent
Valid Yes	120	60.00
No	80	40.00
Total	200	100.0

The results in Table 4.16 shows that those who responded yes accounted for 60% (120) and no accounted for 40% (80). This implies that majority of respondents were of the opinion that Employee Longevity of Tenure has contribution to creation of knowledge competency. However, those who indicated no also accounted for a large response therefore it possible to note that their opinion also counts in this results. These results concur with the findings of Henderson, Miller, and Hambrick, (2006) who found out that knowledge acquisition for firms operating in a more complex environment or firms with more intangible assets have greater board advisory needs, and that the accrued benefits of knowledge are longer lasting among complex firms, such firms require longer average tenure since accrued benefits of knowledge are longer lasting among complex firms as employees require more time to acquire the knowledge competency needed to advise on the appropriate strategy.

4.4.3 Level of Knowledge Competency

This question sought to establish the level of Knowledge Competency given that there is indication that the Knowledge Competency of sampled organisation. The results are shown in Table 4.17.

Table 4.17: Knowledge Competency Level

Level	Frequency	Percentage
Valid Advanced	40	20.0
Proficient	140	70.0
Developing	20	10.0
Does not demonstrate	00	00.0
Total	200	100.0

The results in Table 4.17 shows that at the advanced level represented a 20.0% (40), proficient level 70.0% (140), developing level 10.0% (20), and does not demonstrate level of competency accounted for 0.00% (00). This implies that Knowledge Competency is at its proficient level though not advanced level as majority of participants indicated.

This means employee longevity of tenure has necessitated the employees to have sufficient understanding and experience to operate at a full professional level with this broad range of moderately complex situations to effectively function in both predictable and new situations faced in the organisation.

4.4.4 Knowledge Competency Activities

The study also sought to find out the level of knowledge competency activities from the participants. Seven items were used to measure knowledge competency level of effects. The results are as shown in Table 4.18.

The results in Table 4.18 show that strongly agree accounted for 52.7% (105), agree 35.3% (71), disagree accounted for 08.7% (17), and strongly disagree 03.3% (07).

This is an indication that majority of the participants approved the statement that the employee tenure enables accumulation of considerable knowledge base of the company's culture and its products and services. In relations to employee having experienced many changes within the workplace, and consequently understand what works and what doesn't, results show that strongly agree accounted for 52.7% (105), agree 35.3% (71), disagree accounted for 07.3% (15), and strongly disagree 02.7% (06). This is an indication that majority of the participants agreed that employee tenure enable them experience many changes within the workplace, and consequently understand what works and what doesn't.

At the same time, these results show that that strongly agree accounted for 51.3% (103), agree 34.0% (68), disagree accounted for 09.3% (19), and strongly disagree 05.3% (11). This is an indication that majority of the participants also agreed that tenure has enabled them develop quality standard and accuracy technique minimizing mistakes and resource wastage. Moreover, from the results in Table 4.18, one realizes that strongly agree accounted for 50.7% (102), agree 32.7% (66), none 02.0% (04), disagree accounted for 09.3% (19), and strongly disagree 05.3% (11).

Table 4.18: Distribution of the Measure of Knowledge Competency

Statement		SD	D	A	SA	Total
1. Considerable knowledge base of the company's culture and its products and services	f	07	17	71	105	200
	%	03.3	08.7	35.3	52.7	100
2. Have experienced many changes within the workplace, and consequently understand what works and what doesn't	f	06	15	71	110	200

	%	02.7	07.3	35.3	54.7	100
3. Developed quality standard and accuracy technique minimizing mistakes and resource wastage	f	11	19	68	103	200
	%	05.3	09.3	34.0	51.3	100
4. Possess a keen understanding of procedures and techniques for increased revenue administration	f	11	19	66	102	200
	%	05.3	09.3	32.7	50.7	100
5. Creation of routine success in service delivery	f	14	20	66	102	200
	%	06.7	10.0	32.7	50.7	100
6. Necessitates cooperative work relations in groups and teams	f	12	20	70	99	200
	%	06.0	10.0	34.7	49.3	100
7. Ability to complete objectives and goals under pressure without supervision	f	12	20	66	98	200
	%	06.0	10.0	32.7	48.7	100

This implies that majority of participants approved the statement that tenure has made them possess a keen understanding of procedures and techniques for increased financial management or revenue administration.

Also participants with opinion of strongly agree accounted for 50.7% (102), agree 32.7% (66), disagree accounted for 10.0% (20), and strongly disagree 06.7% (14). This implies that majority of participants agreed with the statement that employee tenure necessitates creation of routine success in service delivery. Again these results reveal that strongly agree accounted for 49.3% (99), agree 34.7% (70), disagree 10.0% (20), and strongly disagree 06.0% (12). This implies that majority of participants agreed with the statement that the tenure necessitates cooperative work relations in groups and teams. In relation to measure that Ability to complete

objectives and goals under pressure without supervision, the results in Table 4.16 show that strongly agree accounted for 48.7% (97), agree 32.7% (66), none 02.7% (06), disagree 10.0% (20), and strongly disagree 06.0% (12). This implies that majority of participants accepted the statement that tenure enhances ability to complete objectives and goals under pressure without supervision.

4.4.5 Descriptive Statistics on Knowledge Competency

The study sought to determine the degree of knowledge competency possession among participants as a result of their tenure in the employment sector and the current employer. The results are as shown in Table 4.19.

From the study results in Table 4.19, respondents are have possessed considerable knowledge base of the company's culture and its products and services (mean=2.68).

Table 4.19: Descriptive Statistics of Mean Scores of Knowledge Competency

	Mean	Std. Dev
Considerable knowledge base of the company's culture and its products and services	2.68	1.134
Have experienced many changes within the workplace, and consequently understand what works and what doesn't	2.48	1.142
Developed quality standard and accuracy technique minimizing mistakes and resource wastage	2.84	1.237
Possess a keen understanding of procedures and techniques		

for increased Revenue Administration	2.79	1.146
Creation of routine success in service delivery	2.55	1.385
Necessitates cooperative work relations in groups and teams	2.73	1.374
Ability to complete objectives and goals under pressure without supervision	2.35	1.213
Knowledge Competency	2.68314	1.233

Also, respondents have experienced many changes within the workplace, and consequently understand what works and what doesn't especially in risk minimization and revenue collection management (mean=2.48) and they have developed quality standard and accuracy technique minimizing mistakes and resource wastage hence assisting the organization in efficient and effective service delivery (mean=2.84). It was revealed that respondents possess keen understandings of procedures and techniques for increased revenue administration and management (mean=2.79).

Moreover, respondents seem have created a knowledge competency in routine duties resulting in successful service delivery (mean=2.55). Apart from that, respondents indicated that their knowledge competency necessitates cooperative work relations in groups and teams (mean=2.73). Finally, respondents showed that they have ability to complete objectives and goals under pressure without supervision (mean=2.35). Generally Knowledge Competency was (mean=2.68314).

4.4.6 Effects of Knowledge Competency on Organisational Performance

The study sought to determine the influence of Knowledge Competency on the Organisational Performance. This was important to this study as it helped to understand the nature in which Knowledge Competency as a dimension of independent variable has an effect on the dependent variable. The results are as shown in Table 4.20.

The results in Table 4.20 show that the statement that the current behavioural competency of long term employees is the core influencer of performance had a mean score of 4.28 and a standard deviation of 0.28, the next statement that the behavioural competency of long term employees is maintained thus improving its operational performance had a mean score of 4.33 and a standard deviation of 0.23, next was the item that the firm considers behavioural competencies that strategically enhances its performance improvement scored a mean average of 4.11 and a standard deviation of 0.27.

The other item was that the decision making processes are quick and fast in because of technical competency of long term employees enabling quick response to new challenges in tax collection with a mean average of 4.29 and standard deviation of 0.22; also the item that technical competency usually enhances support for development of efficient ICT programmes expertise and experience thus improving on performance scored a mean average of 4.18 and a standard deviation of 0.24 and on the mean score of 4.24 and standard deviation of 0.23 was reported on the statement that the HR functional competency is effective at improving entrepreneurial

culture in the firm, finally on the statement that the HR functional competency enhances undertaking of self-evaluation and review in areas of organisational performance reported 4.10 and 0.25 mean and standard deviation scores respectively.

Table 4.20: Distribution of Knowledge Competency Statements

Statement	Mean	Std Dev.
The current behavioural competency of long term employees is the core influencer of performance	4.28	0.28
The behavioural competency of long term employees is maintained thus improving its operational performance	4.33	0.23
The firm considers behavioural competencies that Strategically enhances its performance improvement	4.11	0.27
Decision making processes are quick and fast in because of technical competency of long term employees enabling quick response to new challenges in tax collection	4.29	0.22
Technical competency usually enhances support for development of efficient ICT programmes expertise and experience thus improving on performance	4.18	0.24
The HR functional competency is effective at improving entrepreneurial culture in the firm	4.24	0.23
The HR functional competency enhances undertaking of self-evaluation and review in areas of organisational performance	4.10	0.25

This is an indication that Knowledge Competency affects the Organisational Performance as shown by mean of 4.10 to 4.33 of the items of measure, the firm considers behavioural competencies that strategically enhances its performance improvement as shown by mean of 4.11, the current behavioural competency of long term employees is the core influencer of performance as shown by mean of 4.28, the HR functional competency is effective at improving entrepreneurial culture in the

firm as shown by mean of 4.24, and that the HR functional competency enhances undertaking of self-evaluation and review in areas of organisational performance as shown by mean of 4.10. These findings are in agreement with the findings of Muriri and Ngugi, (2014), they found out that Competency has an impact on Organisational Performance.

4.5 Skills Support System

Employee Tenure seeks to ensure that there are transparent and efficient mechanisms for monitoring and disclosing the efficiency and effectiveness with which those entrusted to work use entrusted resources; and that they account for performance (Gatamah 2000). Skills Support System refers to the role model and referral agent, respect competence and challengers, close friends and helpers and common interest (Zahra and Pearce, 1989; Maassen, 1999). The results in descriptive statistics are displayed in Table 4.21 with variables reflecting influence of elements of Skills Support System.

Table 4.21: Descriptive Statistics for Elements of Skills Support System

Variable	N	Range	Min	Max	Mean	S.D.	Var
	Stat	Stat	Stat	Stat	Stat	Std. Error	Stat
SSS	200	78.80	-55.8	68.00	4.878	1.11	10.2498.10
Role model and Referral agent	200	5.48	3.11	4.15	3.231	0.681	0.6770.419
Common interest	200	6.10	1.88	2.87	8.120	0.417	1.1772.611

Close friends and helpers	200	7.33	3.18	3.57	0.314	0.461	0.264	0.615
Respect Competence and								
Challengers	200	0.20	0.90	0.25	0.451	0.421	0.180	0.360

The results from Table 4.21 show that the skills support system has shown a large deviation. It shows a mean performance of almost 4.88%, the maximum reported influence is around 68% and the minimum is -55.8% with deviation of 10.24 between firms sampled for this study. The mean of composition of role model and referral agent is 3.231, with the maximum and minimum are 4 and 3 respectively. The role model and referral agents implies that the expertise and experience of the tenured employee is sought by the firm to provide aspects of systems of support to skills so far built within the firm, it is an indication that experience of annual frequencies of a maximum of four times role model and referral agents in matters of organisational performance. The mean of role model and referral agent is almost 68.1%, which is 68.1% of the organisational performance leaving the rest 42.4% be influenced by other factors.

The common interest of the Skills Support System shows an experience of annual frequencies of a maximum of three times influence in organisational performance activities. This implies that common interest registered quite a small number of influences. The mean of common interest on the Skills Support System is only about 41.7%, which is 41.7% of the skills support system influence on organisational performance activities of the firm under study.

The close friends and helpers of the Skills Support System indicate an experience of annual frequencies of a maximum of less than one times participation. This implies that close friends and helpers registered quite a small number of influences of skills support system. The mean of close friends and helpers is only about 46.1%, which is 46.1% of the skills support system influence on organisational performance. The respect competence and challengers of skills support system shows an experience of annual frequencies of a maximum of four times influence of the skills support system. This implies that respect competence and challengers registered quite a small number of degrees of influence of the total skills support system influence on organisational performance. The mean of respect competence and challengers of the skills support system is only about 42.1%, which is 42.1% of the organisational performance.

4.5.1 Skills Support System Indicators

The study aimed to obtain from respondents their opinion on the skills support system. There are seven items used to measure this component. Results are shown in Table 4.22.

Table 4.22: Distribution of Skills Support System Indicators

	Statement		SD	D	N	A	SA	Total
1.	Establishes an invaluable support system to new employees due to them undergoing training and development before	f	19	31	31	74	47	200
		%	09.3	15.3	15.3	36.7	23.3	100
2.	Provides reassurance in time to new employee when stressed or overwhelmed job duties	f	46	07	42	64	43	200

		%	22.7	03.3	20.7	32.0	21.3	100
3.	Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production	f	26	34	22	41	50	200
		%	17.3	22.7	14.7	20.7	24.7	100
4.	Reduce waste, errors and spoilage at to a manageable level	f	27	39	35	39	62	200
		%	13.3	19.3	17.3	19.3	30.7	100
5.	Have invaluable skills that strengthen new recruits knowledge gain	f	38	31	23	63	47	200
		%	18.7	15.3	11.3	31.3	23.3	100
6.	Represents self to others in a professional manner	f	29	35	33	62	42	200
		%	14.7	17.3	16.3	30.7	20.7	100
7.	High level of accuracy, neatness, and consistency in all areas of job performed is maintained	f	40	31	19	56	55	200
		%	20	15.3	09.3	28.0	27.3	100

The results in Table 4.22 show that that strongly agree accounted for 23.3% (47), agree 36.7% (74), none 15.3% (23), disagree 15.3% (31) and strongly disagree 09.3% (19). This implies that majority, agree 36.7% (74) and strongly agree 23.3% (47) that tenure helps them establish an invaluable support system to new employees because they have undergone on the job training and development before, hence have skills that are needed by newly recruited employee for consistency, efficiency effectiveness and relevancy in their productivity. The next item of Skills Support System was that the tenure provides reassurance in time to new employee when stressed or overwhelmed job duties. The results show that strongly agree accounted for 21.3% (43), agree 32.0% (64), none 20.7% (42), disagree 03.3% (07) and strongly disagree

22.7% (46). This implies that majority, agree 32.0% (64) and strongly agree 21.3% (43) that tenure provides reassurance in time to new employee when stressed or overwhelmed job duties so that they do not show fear of inexperience.

Moreover, it was shown that strongly agree accounted for 24.7% (50), agree 20.7% (42), none 14.7% (29), disagree 22.7% (46) and strongly disagree 17.3% (35) that they have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production. This implies that majority, agree 32.0% (64) and strongly agree 21.3% (43) that tenure makes them acquire mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production.

Apart from that, the study also asked to find out if they are able to reduce waste, errors and spoilage at a manageable level. In Table 4.22, the results show that strongly agree accounted for 30.7% (62), agree 19.3% (39), none 17.3% (35), disagree 19.3% (39) and strongly disagree 13.3% (27). This implies that majority, strongly agree 30.7% (62) that participants have capacity to reduce waste, errors and spoilage at to a manageable level due to their tenure status.

In relation to participants having invaluable skills that strengthen new recruits knowledge gain, results in Table 4.22 show that strongly agree accounted for 23.3%(35), agree 31.3%(47), none 11.3%(17), disagree 15.3%(23) and strongly

disagree 18.7%(28). The results is an indication that majority agree at 31.3% (63) that participants have invaluable skills that strengthen new recruits knowledge gain. At the same time, the results also show that strongly agree accounted for 20.7% (42), agree 30.7% (62), none 16.7% (34), disagree 17.3% (35) and strongly disagree 14.7% (29). This is an indication that majority who agree at 30.7% (62) are of the opinion that the participants are able to represent self to others in a professional manner. This question sought to establish if the tenure enables employee to have high level of accuracy, neatness, and consistency in all areas of job performed is maintained. The results show that strongly agree accounted for 27.3% (55), agree 28.0% (56), none 09.3% (19), disagree 15.3% (31) and strongly disagree 20.0% (40). This implies that majority, agree 28.0% (56) and strongly agree 27.3% (55) that the participants' High level of accuracy, neatness, and consistency in all areas of job performed is maintained.

4.5.2 Analysis of Descriptive Statistics of Skills Support System

The descriptive statistics follows in Table 4.23.

The results in Table 4.23, respondents agreed that have established an invaluable skills support system to new employees due to them undergoing training and development before (mean =3.30), respondents also stated that they provide reassurance in time to new employee when stressed or overwhelmed job duties (mean=2.60), respondents stated that they have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production (mean=2.39), they also

indicated that they enhance waste reduction, errors and spoilage at to a manageable level (mean=2.45), they have invaluable skills that strengthen new recruits knowledge gain (mean=2.56).

Table 4.23: Descriptive Statistics of Mean Scores of Skills Support System

	Mean	Std. Dev
Establishes an invaluable support system to new employees due to them undergoing training and development before	3.30	0.287
Provides reassure him that in time to new employee when stressed or overwhelmed job duties	2.60	1.316
Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production	2.39	1.410
Reduce waste, errors and spoilage at to a manageable level	2.45	1.124
Have invaluable skills that strengthen new recruits knowledge gain	2.56	1.294
Represents self to others in a professional manner	2.30	1.221
High level of accuracy, neatness, and consistency in all areas of job performed is maintained	2.20	1.113
Skills Support System	2.543	1.1093

Respondents also agreed that their tenure has enabled them to represents their self to others in a professional manner (mean=2.30) and that they have cumulated high level of accuracy, neatness, and consistency in all areas of job performed (mean=2.20). In general, the results on the skills support system was found to be (mean=2.543 with a standard deviation 1.1093).

4.5.3 Effects of Skills Support System on Organisational Performance

The study sought to determine the extent to which respondents agreed to the Employee Tenure practices, measured with the 8-items of statements. It was important to investigate the effects of skills support system on organisational performance to understand why firms invest a lot on Skills Support System it its drive to have effective and efficient Employee Tenure. The results are as shown in Table 4.24.

The results in Table 4.24 show that majority of the respondents agreed to a large extent that; the statement that acquired skills of sharing common interests or concerns that are important in keeping one motivated, and in sorting out those problems that are primarily those of the individual room problems imposed by the larger system and require collective activity to bring about change in that system as shown by mean of 4.70.

The statement that employees have acquired skills to help define goals for positions one might assume in the future source of valuable information about the opportunities and problems associated with a given role affects the performance of a firm as shown by mean 4.26.

Table 4.24: Distribution of Skills Support System Statements

Statement	Mean	Standard Dev
Employees have acquired skills to help define goals for positions one might assume in the future		

source of valuable information about the opportunities and problems associated with a given role	4.43	0.27
Employees have mastered skills of connecting one with resources in the environment through their knowledge of people and organizations to obtain needed assistance.	4.25	0.22
Employees have ability to help provide nurturance and caring, who enjoy some of the same interests, and who keep one from becoming isolated and alienated.	4.29	0.24
They are depended upon in a crisis to provide assistance as they have become experts in solving particular kinds of problems and may not be the type with whom one would choose to have a close personal relationship	4.61	0.27
Acquired skills of sharing common interests or concerns that are important in keeping one motivated, and in sorting out those problems that are primarily those of the individual room problems imposed by the larger system and require collective activity to bring about change in that system	4.70	0.38
Employees become respectful to the skills one has already developed and value the contributions that one makes in a given situation. They are particularly helpful during times of transition when one may be feeling unsure of oneself in developing new skills	4.20	0.23
They help motivate one to explore new ways of doing things, develop new skills, and work toward the development of latent capabilities	3.92	0.28
Help cope and return to our previous level of functioning particularly in times of high stress or major transitions to cope with anxiety, the energy it takes to crisis, physical and emotional difficulties, or overload of demands. They become resourceful in order to maintain high level of activity	4.24	0.25

On the statement that they are depended upon in a crisis to provide assistance as they have become experts in solving particular kinds of problems and may not be the type

with whom one would choose to have a close personal relationship affects the performance of a firm as shown by a mean of 4.61, the statement that Employees have mastered skills of connecting one with resources in the environment through their knowledge of people and organizations to obtain needed assistance affects the performance of a firm as shown by mean of 4.26.

Moreover, participants respondent on the statement that employees become respectful to the skills one has already developed and value the contributions that one makes in a given situation and that they are particularly helpful during times of transition when one may be feeling unsure of oneself in developing new skills affects the performance of a firm as shown by mean of 4.20, the statement that Help cope and return to our previous level of functioning particularly in times of high stress or major transitions to cope with anxiety, the energy it takes to crisis, physical and emotional difficulties, or overload of demands. They become resourceful in order to maintain high level of activity and are likely to improve the regional performance of the firm as shown by mean of 4.24, the statement that employees who have stayed over longer tenure help motivate one to explore new ways of doing things, develop new skills, and work toward the development of latent capabilities affects the performance of a firm as shown by a mean of 3.92.

4.6 Stable Work Environment

This section sought to establish the respondents' position on the work environment as shaped by their tenure. There four elements of stable work environment that were used to analyse the component of stable work environment of employee tenure, which included beginning, organisational, managerial and individual environments. The results are as shown in Table 4.25.

Table 4.25: Descriptive Statistics for Elements of Stable Work Environment

Variable Var.	N	Range		Min	Max	Mean	S.D.	
		Stat	Stat				Std.Error	Stat
SWE	200	73.13	-43.0	58.00	5.433	1.21	12.15	0.100
Beginning	200	4.84	2.99	4.98	5.100	0.645	0.646	0.390
Organisational	200	5.96	2.65	3.59	6.255	0.586	1.311	2.530
Managerial	200	5.33	3.18	4.57	0.300	0.600	0.534	0.620
Individual	200	5.12	3.90	5.25	6.451	0.662	0.180	0.360

The results from Table 4.25 show that the stable work environment has shown a moderate deviation of 12.15% among the sampled departments of KRA in western region. It shows a mean performance of almost 5.433%, the maximum reported influence is around 58.0% and the minimum is -43.0% with deviation of 12.15 between sampled departments. Beginning environment shows an experience of annual frequencies of a maximum of five times and a minimum of three times the influence in the total degree of influence of Stable work environment. The mean of beginning environment is 64.5%, which is 64.5% of influence of the total influence of stable work environment on organisational performance leaving the rest 35.5% be

influenced by other factors not covered in this study. The organisational environment of the stable work environment shows an experience of annual frequencies of a maximum of four times influence with a minimum of three levels of experiences. This implies that organisational environment registered quite a moderate level of influences. The mean of organisational environment influence is only 58.6%, which is 58.6% of the stable work environment influence on organisational performance levels.

The managerial environment indicates an experience of annual frequencies of a maximum of five times and a minimum of three times the level of influence. This implies that the managerial environment registered quite a moderate level of influences on the board effects on Employee Tenure approaches. The mean of managerial environment is 60.0%, which is 60.0% of the total Stable Work Environment influence on organisational performance. The Individual indicates an experience of annual frequencies of a maximum of five times and a minimum of three times level of influence. This implies that Individual registered quite a large level of influence of the total Stable Work Environment influence on organisational performance. The mean of Individual of the board is only about 66.2%, which is 66.2% of the organisational performance.

The individual environment indicates an experience of annual frequencies of a maximum of six times and a minimum of four times level of influence. This implies that individual environment registered a high level of influence of the total stable

work environment influence on organisational performance. The mean of individual environment of the stable work environment is only about 69.1%, which is 69.1% of the organisational performance.

Results in Table 4.26 leave one to realize that strongly agree accounted for 54.7% (110), agree 23.3% (47), disagree 12.7% (26) and strongly disagree 09.3% (19). This is an indication that majority of the participants agreed that employee tenure component that it provides a work environment stable reflecting a morale boosting for results improvement.

These results also show that strongly agree accounted for 53.3% (107), agree 20.7% (42), disagree 12.7% (26) and strongly disagree 08.7% (18). This implies that majority of the participants approved the statement that the employee tenure component that Reduces disruption of work environment because a suitable replacement must be found as a key element of performance. At the same time, the results in Table 4.25 show that that strongly agree accounted for 54.0% (108), agree 24.7% (50), disagree 11.3% (23) and strongly disagree 10.0% (20). This implies that majority of the participants approve the statement that employee tenure is a reflection of assured security of the job hence continuity of performance. In relation to the measure on It reduces High Cost of employee replacement hence improved financial viability, the results show that strongly agree accounted for 65.3% (131), agree and disagree each accounted for 12.7% (26), and strongly disagree 09.3% (19). This implies that majority of the participants agreed that employee tenure reduces high

cost of employee replacement hence improved financial viability one indicator of performance measurements.

Table 4.26: Distribution of the Measures of Stable Work Environment on Performance

	Statement		SD	D	A	SA	Total
1.	Reflects a morale boosting environment that a prerequisite for result improvement	f	19	26	47	110	200
		%	09.3	12.7	23.3	54.7	100
2.	Reduces disruption of work environment because a suitable replacement must be found	f	18	26	42	107	200
		%	08.7	12.7	20.7	53.3	100
3.	It is a reflection of assured security of the job	f	20	23	50	108	200
		%	10.0	11.3	24.7	54.0	100
4.	It reduces High Cost of employee replacement hence improved financial viability	f	19	26	26	131	200
		%	09.3	12.7	12.7	65.3	100
5.	Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover	f	10	19	63	110	200
		%	04.7	09.3	31.3	54.7	100
6.	Establishes and maintains effective relationship with others necessary for success teamwork and group creation	f	12	20	59	110	200
		%	06.0	10.0	29.3	54.7	100

Moreover, the results show that participants with opinion of strongly agree accounted for 54.7% (110), agree 31.3% (63), disagree accounted for 09.3% (19), and strongly disagree 04.7% (10). This implies that majority of the participants approve the statement that the long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover and those with the opinion of strongly agree accounted for 54.7% (110), agree 29.3% (59), disagree accounted for 10.0%

(20), and strongly disagree 06.0% (12). This is an indication that majority of the participants approved the statement that employee tenure establishes and maintains effective relationship with others necessary for success teamwork and group creation.

To further confirm the results in Table 4.27, the descriptive statistics were obtained and the results are as shown in Table 4.27.

Table 4.27: Descriptive Statistics of Mean Scores of Stable Work Environment

	Mean	Std. Dev
Reflects a morale boosting environment that a prerequisite for result improvement	2.21	1.287
Reduces disruption of work environment because a suitable replacement must be found	2.99	1.121
It is a reflection of assured security of the job	3.00	1.345
It reduces High Cost of employee replacement hence improved financial viability	3.24	1.012
Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover	3.35	1.187
Establishes and maintains effective relationship with others necessary for success teamwork and group creation	3.14	1.385
Stable Work Environment	2.98833	1.2228

The results in Table 4.27 show that reflects a morale boosting environment that a prerequisite for result improvement is very strong (mean=2.21), reduced disruption of work environment because a suitable replacement is not easily available (mean=2.99), it is a reflection of assured security of the job (mean=3.00), reduced high Cost of employee replacement hence improved financial viability (mean=3.24), Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of

turnover (mean=3.35). Finally, respondents stated that they have established and maintained effective relationship with others necessary for success of teamwork and group creation (mean=3.14). The overall performance of Stable Work Environment was (mean=2.98833 and a standard deviation of 1.2228).

4.6.1 Effects of Stable Work Environment on Organisational Performance

The study sought to determine the extent to which respondents agreed to the Employee Tenure practices, measured with the 6-items of statements. It was important to investigate the effects of Stable Work Environment on Organisational Performance to understand why a firm struggles to establish ownership structure that consists of different owners, if it has influence on organisational performances or not. The results are as shown in Table 4.28.

The results in Table 4.28 show that majority of the respondents agreed to a large extent that; Necessitates maintenance of customary workforce eliminating the job security fear among employees as shown by a mean of 4.29 and a standard deviation of 0.27, at the same time, on the statement that stable work environment enables development of policies that help put in place additional initiatives to ensure compliance thus enhancing employees productivity as shown by a mean of 4.25 and a standard deviation of 0.21, also on the statements that employee tenure creates stable work environment that reduces the frustratingly difficult process of finding, recruiting, and hiring the caliber of employees that the institution has developed

overtime to help it achieve its goals as shown by a mean of 4.22 and standard deviation of 0.30.

Table 4.28: Distribution of Statements of Effects of Stable Work Environment

Statement	Mean	Standard Dev
Enable development of policies that help put in place additional initiatives to ensure compliance thus enhancing employees productivity	4.25	0.21
Enables retention of the talent and maintaining a stable workforce that the institution has already have enabling continuity in performance improvement	4.14	0.20
Enables maintenance of sufficient qualified and productive workforce and reduced impact of negative relationships brought about by frequent employees turnovers	4.13	0.23
Enhances supply of competent, dedicated, and effective workers to serve the clients to fulfill their missions of efficient revenue collection at friendly environment to all Kenyans	4.19	0.28
Reduces the frustratingly difficult process of finding, recruiting, and hiring the caliber of employees that the institution has developed overtime to help it achieve its goals	4.22	0.30
Necessitates maintenance of customary workforce eliminating the job security fear among employees	4.29	0.27

The participants also were able to indicate that the tenured employees create stable environment that enhances supply of competent, dedicated, and effective workers to serve the clients to fulfill their missions of efficient revenue collection at friendly

environment to all Kenyans as shown by a mean of 4.19 and a standard deviation of .28, on the statement that tenure enables retention of the talent and maintaining a stable workforce that the institution has already have enabling continuity in performance improvement as shown by a mean of 4.14 and a standard deviation of 0.20.

Finally it was also indicated that Tenure enables maintenance of sufficient qualified and productive workforce and reduced impact of negative relationships brought about by frequent employee turnovers as shown by a mean of 4.13 and a standard deviation of 0.23. These results are in agreement with the findings of Parisi-Carew E. and Guthrie L, (2009) who stated that regardless of generation, gender, or temperament, most employees desire an open, safe, and welcoming environment in which they are encouraged to grow and learn and that employees are more likely to want to join and remain employed in an organisation known to have a positive work environment. The results also are indication of pursuit of KRA fifth corporate plan strategic object of upgrading the work environment to enhance staff morale, efficiency and effectiveness since poor service delivery results from an inadequate work environment for staff (KRA Fifth Strategic Plan, 2012).

4.7 Cost Effectiveness

The study sought to explore on the cost effectiveness of the employee tenure that consists of Efficiency, Wastage Minimization, and Quality. This is expected to have influence on the overall effects of the cost effectiveness on the organisational

performance practices. The results in descriptive statistics are displayed in Table 4.29 with variables reflecting influence of elements of cost effectiveness.

The results from Table 4.29 show that the cost effectiveness has shown a large deviation of 13.47% among the sampled departments of KRA western region. It shows a mean performance of almost 4.893%, the maximum reported influence is 76.0% and the minimum is -65.0% with deviation of 12.15.

Table 4.29: Descriptive Statistics for Elements of Cost Effectiveness (CE)

Variable	N	Range		Min	Max	Mean	S.D.	Var
	Stat	Stat	Stat	Stat	Stat	Stat	Std. Error	Stat Stat
CE	200	100.13	-65.0	76.00	4.893	1.141		13.470.140
Wastage Minimization	200	4.84	3.00	5.00	4.810	0.533		0.5410.490
Efficiency	200	6.10	4.56	6.50	6.015	0.476		1.4512.870
Quality	200	5.13	2.18	6.57	0.450	0.532		0.5210.612

Wastage Minimization shows an experience of annual frequencies of a maximum of five times and a minimum of three times the influence in the total degree of influence of wastage minimization of cost effectiveness. The mean of wastage minimization is 53.3%, which is 53.3% of influence of the total influence of cost effectiveness on organisational performance leaving the rest 46.7% be influenced by other factors.

The efficiency of the cost effectiveness shows an experience of annual frequencies of a maximum of seven times influence with a minimum of five levels of influences. This implies that Efficiency registered quite a moderate level of influences. The mean

of efficiency influence is only 47.6%, which is 47.6% of the board influence on organisational performance activities of the KRA western region. The Quality indicates an experience of annual frequencies of a maximum of seven times and a minimum of two times the level of influence. This implies that the Quality registered a high level of influences. The mean of managerial environment is 53.2%, which is 53.2% of the total cost effectiveness influence on organisational performance. These results concur with the findings of Breaugh and Starke, (2000) that firms that make extensive use of the short term labour market experience higher than necessary levels of unscheduled turnover and that previously expected cost trade-offs between scheduled turnover and wage/benefit avoidance no longer apply, seriously threatening economic gains previously anticipated from the use of such workers.

4.7.1 Measure of Cost Effectiveness

There are six items of measure that were tested on a 5-point Likert scale using the multifactor linear questionnaire. The results are as shown in Table 4.30.

Results in Table 4.30 show that the item that turnover costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure scored 19.0% (38) for strongly disagree, disagree 23.0% (46), neutral 4.0% (08), agree 35.0% (70) and strongly agree 31.0% (62). This implies that majority 66.0% (132) of the sampled respondents agreed that turnover costs such as for exit

interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure.

Table 4.30: Distribution of the Measure of Cost Effectiveness

		SD	D	N	A	SA	Total
1. Turnover Costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure	freq	38	46	08	70	62	200
2.	%	19.0	23.0	04.0	35.0	31.0	100%
3. Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention	freq	56	50	00	52	42	200
4.	%	28.0	25.0	0.0	26.0	21.0	100%
5. Indication for a good working environment to newly recruited employees	freq	34	46	06	58	56	200
6.	%	17.0	23.0	3.0	29.0	28.0	100%
7. It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul	freq	64	70	10	24	32	200
8.	%	32.0	35.0	5.0	12.0	16.0	100%
9. It improves employee vested interest in company success as the job becomes a career	freq	26	16	12	76	70	200
10.	%	13.0	08.0	06.0	38.0	35.0	100%

11. Increased financial results due to reduced operational cost and expenses	freq	54	62	08	42	34	200
	%	27.0	31.0	04.0	21.0	17.0	100%

In relation to item that replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention strongly agree accounted for 28.0% (56), agree 25.0% (50), neutral 0% (00), disagree 26.0% (52) and strongly disagree 21.0% (42). It implies that majority 47.0% (94) of respondents agree that replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention. This is an indication that the financial performance will be improved due to minimized cost of operation. At the same time, the item that cost effectiveness is an indication for a good working environment to newly recruited employees scores are as follows strongly disagree accounted for 17.0%(40), disagree 23.0%(54), neutral 3.0% (06) agree 29.0% (58) while strongly agree accounted for 28.0% (56). It implies that majority 57.0% (114) of respondents agree that cost effectiveness is an indication for a good working environment to newly recruited employees. This is an indication that the performance of newly recruited employees will be boosted due to being aided hence ability to reduce unnecessary costs.

Table 4.31: Descriptive Statistics of Mean Scores of Cost Effectiveness

	Mean	Std. Dev.
Turnover Costs such as for exit interviews, administrative tasks related to termination		

processing, severance or separation pay, and unemployment compensation are reduced due to long tenure	3.56	1.032
Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention	2.75	1.321
Indication for a good working environment to newly recruited employees	2.48	1.263
It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul	3.44	1.254
It improves employee vested interest in company success as the job becomes a career	2.74	1.421
Increased financial results due to reduced operational cost and expenses	2.74	1.462
Cost Effectiveness	2.95167	1.2922

Moreover, scores on the statement that cost effectiveness enables employees to establish confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul, strongly agree accounted for 32.0% (64), agree 35.0% (70), neutral 5.0% (10), disagree 12.0% (24) and strongly disagree 16.0% (32). It implies that majority 67.0% (134) of respondents agree that there is an established confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul.

These results also show that the scores on item that cost effectiveness of employee tenure improves employee vested interest in company success as the job becomes a career, strong disagreement accounted for 13.0% (26), disagree 8.0% (16), neutral 6.0% (12), agree 38.0% (76) and strongly agree 35.0% (70). It implies that majority

73.0% (146) of respondents agree that tenure improves employee vested interest in company success as the job becomes a career. It means that respondents are agreeing that tenure improves employee vested interest in company success as the job becomes a career. It is also revealed that strongly agree accounted for 27.0% (54), agree 31.0% (75), neutral 4.0% (08), disagree 21.0% (42), and strongly disagree 17.0% (34) that there is an increased financial results due to reduced operational cost and expenses. It implies that majority 58.0% (118) of respondents agree that cost effectiveness increased financial results due to reduced operational cost and expenses. The descriptive statistics results are as shown in Table 4.31.

The results in Table 4.31 show that respondents were satisfactory on the cost minimization (mean=2.96) which confirms that the respondents agreed that the cost effectiveness level of the employee as a results of their length of tenure in the organization is fair, also respondents believe the replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention is fair (mean= 2.75). Similarly, the turnover costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure is fair (mean=3.56). Indication for a good working environment to newly recruited employees is also fair at (mean=2.48), established confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul is fair (mean=3.44); improved employee vested interest in company

success as the job becomes a career and increased financial results due to reduced operational cost and expenses are fair at (mean=2.74). The general results of cost effectiveness indicate (mean=2.95167 and standard deviation 1.2922).

4.7.2 Effects of Cost Effectiveness (CE) on Organisational Performance

The study sought to establish the extent to which respondents agreed to the employee tenure practices, measured with the 6-items of statements. It was important to investigate the effects of cost effectiveness (CE) on organisational performance to understand why Employee Tenure consists of this dimension with features such as wastage minimization, quality, and efficiency. The results are as shown in Table 4.32.

Table 4.32: Distribution of Cost Effectiveness Statements

Statement	Mean	Standard Dev
Improving service options to taxpayers, facilitating participation in the tax system by all Kenya	4.33	0.31
Simplifying the tax process and increasing the scope and accessibility of services offered electronically thus enhancing cost efficiency minimization	4.25	0.21
Enables upgrading KRA's ICT to facilitate achievement of international best practice, raise performance standards and reduce operational costs	4.15	0.23
Necessitates increased efficiency and operational Effectiveness	4.30	0.24
Improving customer service by benchmarking service delivery standards against (upper) middle income country standards, expanding the scope of services to meet international best practice and increasing service options to taxpayers	4.27	0.21

Helps in achieving the revenue targets through a revamped enforcement strategy, innovative approaches to enhance collection in sectors with low tax compliance and scaling up taxation of all sectors at comparably less cost	4.16	0.19
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The results in Table 4.32 show that majority of the respondents agreed to a large extent that; Improving service options to taxpayers, facilitating participation in the tax system by all Kenya to improve firm's performance as indicated by a mean of 4.33 and a standard deviation of 0.31, this was followed by statement that the cost effectiveness would necessitate increased efficiency and operational effectiveness thus improve organisational performance as indicated by a mean of 4.30 and a standard deviation of 0.24, next was the statement that tenured employees create cost effective environment that improve customer service by benchmarking service delivery standards, expanding the scope of services to meet international best practice and increasing service options to taxpayers as shown by a mean of 4.27 and a standard deviation of 0.21. It was followed by the results of the statement that the cost effectiveness nature of employee tenure simplify the tax process and increasing the scope and accessibility of services offered electronically thus enhancing cost efficiency minimization influence a firm's performance and operations as indicated by the mean of 4.25 and a standard deviation of 0.21.

The results on the statement that the cost effectiveness helps in achieving the revenue targets through a revamped enforcement strategy, innovative approaches to enhance collection in sectors with low tax compliance and scaling up taxation of all sectors at comparably less cost as shown by a mean of 4.16 and a standard deviation of 0.19

finally on the statement that enables upgrading of KRA's ICT to facilitate achievement of international best practice, raise performance standards and reduce operational costs that propels organisational performance reported a mean of 4.15 and a standard deviation of 0.23.

4.8 Effects of Employee Tenure on Organisational Performance

The study sought to determine the effects of Employee Tenure on Organisational Performance. Analysis of the relationship of ET variables and Organisational Performance (OP) variables was performed using the data from the sample. To contrast the hypothesis, an analysis of mean difference, R of Pearson, and multiple regression analysis was tested. Different statistical techniques were used in function of the type of variables quantitative or qualitative and the goals of the study. The sections include the results of descriptive statistics, following by correlation analysis, and the multiple liner regression. The results are presented in the sections that follow.

4.8.1 Descriptive Statistics

The results in descriptive statistics, including the pooled correlation matrix, are displayed in Table 4.33. The variables in the table reflect the one-year lag between the independent variables and the dependent variable.

Table 4.33: Descriptive Statistics for Pooled Data

Variable	N	Range		Min	Max	Mean		S.D.	Var
	Stat	Stat	Stat	Stat	Stat	Stat	Std. Error	Stat	Stat
1. OP	200	109.80	-69.8	44.00	5.788	1.12		12.30	124.733

FinOut	200	4.19	3.15	4.45	3.469	0.576	0.598	0.420
MktShr.	200	6.99	1.98	2.58	8.000	0.213	1.147	2.546
LGPrce	200	0.15	0.87	0.15	0.414	0.181	0.179	0.362
Clientlyl	200	7.24	3.10	3.90	0.321	0.257	0.262	0.614
2. ET	200	115.80	48.8	72.00	4.79	1.10	18.30	144.761
KC	200	3.12	6.99	11.98	6.369	0.696	0.557	0.319
SSS	200	0.99	0.00	0.99	0.497	0.569	0.190	0.359
SWE	200	7.99	3.98	11.98	7.960	0.687	1.566	2.446
CE	200	7.96	0.00	14.799	0.298	0.567	0.251	0.599

Table 4.33 shows the descriptive statistics. It is clear from Table 4.33 that the Organisational Performance (OP) has shown a large deviation as reported by participants in this study. It shows a mean performance of almost 5.79%, the maximum reported performance is around 44% and the minimum is -69.8% with deviation of 12.30.

The mean of financial outcomes is 3.5, with the maximum and minimum are 4 and 3 respectively. The financial outcomes dimension of the organisational performance portrays an experience of annual frequencies of a maximum of four times. Therefore, it is clear that the financial outcomes have recorded quite a large number of performance activities on average. The mean of financial outcome activities is almost 57.6%, which is 57.6% of the organisational performance leaving the rest 42.4% be shared among remaining dimensions of organisational performance.

The market share dimension of the organisational performance portrays an experience of annual frequencies of a maximum of three times. This implies that market share registered quite a small number of entrepreneurial activities in average. The mean of market share activities is only about 21.3%, which is 21.3% of the organisational performance. This can be because the KRA has regionalized its operations hence the western region is itself a market share.

The learning growth and process dimension of the organisational performance portrays an experience of annual frequencies of a maximum of less than one times. This implies that learning growth and processes registered quite a small number of entrepreneurial activities in average. The mean of learning, growth and process activities is only about 41.4%, which is 41.4% of the organisational performance.

The client loyalty dimension of the organisational performance portrays an experience of annual frequencies of a maximum of four times. This implies that Client loyalty registered quite a small number of entrepreneurial activities in average. The mean of Client loyalty activities is only about 32.1%, which is 32.1% of the Organisational Performance.

In relation to Employee Tenure, results in Table 4.33 show the descriptive statistics. It is clear from Table 4.33 that the Employee Tenure (ET) has shown a large deviation. It shows a mean effect of almost 4.79%, the maximum reported influence is around 72.0% and the minimum is 48.8% with deviation of 18.30 between firms.

With regards to Knowledge Competency, results in Table 4.33 show that the mean of Knowledge Competency is approximately 6.369 with maximum 11 competencies and minimum 6 competencies. The mean of Knowledge Competency activities is only about 69.6%, which is 69.6% of the Employee Tenure level of influence.

The Skills Support System of the Employee Tenure portrays an experience of influence level of a maximum of 6 times magnitude on the employee tenure activities. This implies that Skills Support System registered quite a moderate average level of influence on average. The mean of skills Support System activities is only about 56.9%, which is 56.9% of the Employee Tenure level of influence.

The Stable Work Environment of Employee Tenure portrays an experience of influence level of a maximum of 12 times magnitude on the employee tenure activities that are considered influential to the firm performance. This implies that Stable Work Environment registered quite a very high level of influence on average. The mean of Stable Work Environment activities is only about 68.7%, which is 68.7% of the Employee Tenure level of influence.

At the same time, the results also indicate that the Cost Effectiveness is understood in terms of Wastage Minimization, Efficiency, Quality, and ties among the members. The Cost Effectiveness (CE) in Employee Tenure portrays an experience of influence level of a maximum of 15 times magnitude on the employee tenure activities. This implies that Cost Effectiveness (CE) registered quite moderately average level of

influence in average. The mean of Cost Effectiveness (CE) activities is only about 56.7%, which is 56.7% of the Employee Tenure level of influence.

4.8.2 Relationship between Employee Tenure and Organisational Performance

The study identified various items of employee tenure that were measured against the organizational performance. The items were measured on a Likert scale of 1-5. That is the degree of agreement; strongly agree, disagree neutral strongly agree, and agree. The item score on the level of agreement measure indicated the scale of its probability of it being main component of employee performance as influenced by tenure. The percentage of the degree of agreement was converted into index of measuring the relationship between effects of the component and performance outcome. Hence, the probabilities were calculated against each item and the results summed up then divided by the total items to give the total probability of the whole organizational performance.

To measure the effects of employee tenure a multifactor components to performance, knowledge competency, skills support system, Stable Work Environment and cost effectiveness questionnaire measured on a Likert scale of 5-points was used, there were 26 items for these variable developed by Jun *et. al.*, (2006) was used. The items were measured on a 5-point Likert scale, which ranges from strongly disagree (1) to strongly agree (5). Different performance measurements have different effects on the employee tenure. This research used multifactor questionnaire on analysis of organizational performance outcomes regression analysis. The outcomes

construct comprises of 26 measurement items. This study used regression analysis to find out the relationships between predictive variable and criterion variable. Regression analysis result as shown in Table 4.34 indicates that tenure has significant connection with organizational performance success or failure.

Regression of Knowledge Competency on performance as shown in Table 4.34 indicates that Knowledge Competency has positive relationship with organisational performance outcomes. It implies that where there is high level of knowledge competency involved there is high level of Organisational Performance and vis avis.

Table 4.34: Effects of Employee Tenure and Organisational Performance

Model	Unstandardized Coefficients		Standardized Coefficients			R ²
	B	Std. Error	Beta	t-value	Sig.	
Constant						
Organizational Performance	2.727	.210		10.317	.000	
Knowledge Competency	-1.199	.097	-.165	-2.178	.031	.027
Skills Support System	3.227	.273		11.560	0.000	
Work Environment	-.171	.068	-.198	-2.669	.008	.039
Stability	2.069	.232		9.350	0.000	
Cost Effectiveness	.055	.067	.062	.816	.416	.004
	3.221	.332		10.457	.000	
	-.489	.057	-1.687	-2.987	.298	.016
	3.311	.0728		9.344	.000	
	.659	.068	.611	.963	.028	.019

Regression analysis of skills support system, Stable Work Environment and cost effectiveness influence organizational performance as shown in Table 4.34 indicates that skills support system and Stable Work Environment have positive relationship with performance. It means that the high level of financial outcomes, client loyalty and market share, learning growth and process, the high level of performance recorded.

4.8.3 Correlation Analysis

The correlations of the independent variables of Knowledge Competency, Skills Support System, Stable Work Environment and Cost Effectiveness (CE) and the dependent variables Organisational Performance were tested and their significant relationship recorded. This was important to help understand the relationships that exist between the independent and dependent variables. The results are as shown in Table 4.35.

The results in Table 4.35 summarize the correlation between the independent variables and dependent variable. It displays that knowledge competency, skills support system; stable work environment and cost effectiveness are all significantly related to organisational performance (OP). This relationship is either positive or negative. The components of employee tenure of cost effectiveness have significantly negative relationship. The results shows that knowledge competency is positively associated with organisational performance with summary of Pearson Correlations show that knowledge competency was positively and significantly correlated to performance of the case organisation ($r=0.687$, $p<0.05$).

Table 4.35: Correlations of Overall Variables

		OP	KC	SSS	SWE	CE
OP	Pearson	1	0.68**	0.708**	0.76**	-0.56**
	Correlation					
	Sig. (2 tailed)		0.007	0.000	0.002	0.005
	N	200	200	200	200	200
KC	Pearson	0.68**	1	-0.55*	0.510**	0.489**
	Correlation					
	Sig. (2 tailed)	0.007	0.016		0.006	0.000
	N	200	200	200	200	200
SSS	Pearson	0.708**	-0.55**	1	0.267	0.33
	Correlation					
	Sig. (2 tailed)	0.000	0.016		0.66	0.78
	N	200	200	200	200	200
SWE	Pearson	0.76**	0.78**	0.267	1	0.69*
	Correlation					
	Sig. (2 tailed)	0.002	0.006	0.66	0.018	
	N	200	200	200	200	200
CE	Pearson	-0.56**	0.489**	0.456**	0.445**	1
	Correlation					
	Sig. (2 tailed)	0.005	0.000	0.66	0.018	
	N	200	200	200	200	200

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

*Correlation is significant at the 0.05 level (2 tailed)

Thus knowledge competency had 68.7% positive relationship with organizational performance. Skills Support System was the second component to be positively related with performance ($r = 0.708$, $\rho < 0.05$) an indication that skills support system had 70.8% significant positive relationship with performance. Stable Work Environment was significantly associated with performance as shown by ($r = 0.721$, $\rho < 0.05$) implying that Stable Work Environment had a 72.1% positive relationship with performance. Cost effectiveness was significantly negatively correlated to performance ($r = -0.546$, $\rho < 0.05$). Therefore, Cost effectiveness had 54.6% negative relationship with performance.

4.8.4 Multiple Liner Regression Analysis

The result of regression analysis for both linear and multiple regression analysis provides the functions of the equation that represents the best prediction of a dependent variable from several independent variables. This method is used when the independent variables are correlated with one another and with the dependent variable. The following regression equation is estimated as follow:

$$CE = \alpha_0 + \beta_1 KC + \beta_2 SSS + \beta_3 SWE + \beta_4 CE + \varepsilon \dots \dots \dots 2$$

Where: OP: Organisational Performance

α_0 : Constant KC: Knowledge Competency

SSS: Skills Support System

SWE: Stable Work Environment

CE: Cost Effectiveness

ε : Error term.

Table 4.36: Summary of the Regression Model

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	R ² Change	Change statistics			
						F Change	df1	df2	sig. f Change
1	0.877 ^a	0.769	0.045	13.3200457	0.769	2.393	4	95	0.078

^a. *Predictors: (Constant), KC, SSS, SWE, CE*

Table 4.36 shows multiple regressions which is related to OP as dependent variable. The Table shows the influence of independent variable KC, SSS, SWE, and CE on dependent variable OP. The Table indicates that the independent variables determine 76.9% of the OP variance. This means that the other factors influence OP by 23.1%.

4.8.5 Multiple Regression Analysis

A Multifactor linear regression model was used to predict organizational performance in the study. The prediction was carried out basing on the effect of the four independent factors: Knowledge Competency, Skills Support System, Stable Work Environment and Cost Effectiveness. In addition, the b coefficients for each independent variable generated from the model was subjected to a t-test.

The multiple regression analysis was evaluated to determine any effects of the independent variables on the dependent variable. This was important since it was necessitating the test of hypotheses on individual Employee Tenure dimensions that included Knowledge Competency (KC), Skills Support System (SSS), Stable Work Environment (SWE) and Cost Effectiveness (CE). The results are as shown in Table 4.37.

Table 4.37: The Coefficients of Multiple Regression Analysis

Model	Unstandardized Coefficient		Standardized Coefficients	t	Sig.
	β	Std. Error	Beta		
(Constant)	12.103	8.907		1.3590	0.177
KC	1.493	2.056	-0.074	-0.726	0.469
SSS	1.194	4.501	0.026	0.265	0.791
SWE	0.678	0.758	0.093	0.894	0.374
CE	-14.768	5.950	-0.249	-2.482	0.015

a. Dependant Variable OP

$$CE = \alpha_0 + \beta_1 KC + \beta_2 SSS + \beta_3 SWE + \beta_4 CE + \varepsilon$$

$$12.103 + 1.493KC + 1.194SSS + 0.678SWE - 14.768CE + \varepsilon$$

Table 4.36 shows the relationship between independent variables namely KC, SSS, SWE, CE on dependent variable OP. Statically, there is significant relationship between four dimensions of the ET mechanisms used in this study; KC, SSS, SWE, and CE, on the Organisational Performance (OP). It is clear that the increasing in the percentage of Employee Tenure dimensions, OP will increase although some components have decreasing effects. If the Skills Support System increases by 1, the OP will decrease by about -14.8. If Employee Tenure components KC, SSS, SWE, and CE are equal to zero, OP will be 12.103 units of level of performance.

4.9 Hypotheses Testing

The effects of ET on OP were evaluated based on dimensions of Knowledge Competency, Skills Support System, Stable Work Environment, and Cost Effectiveness. These were evaluated against the indicators of Organisational Performance in order to test the influence on dimensions, various regressions were done to find out if the combined effects were sufficient or not to support the hypothesis. Thus, the first hypothesis (H_{01}) stated in the null form is as follows: There is no relationship between Knowledge Competency and Organisational Performance.

Hypothesis one sought to establish the effects of Knowledge Competency on Organisational Performance. This hypothesis was tested by regressing KC and Organisational Performance guided by the equation: $\gamma = \beta_0 + \beta_1 KC$: Where KC

represented Knowledge Competency and γ denotes OP. The results of the regression are presented in Table 4.38.

Table 4.38: Effect of Knowledge Competency of Employee Tenure on Organisational Performance

Model Summary ^b					
Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	Durbin-Watson
1	-0.782 ^a	.611	.610	.1047843	1.597

^a. Predictors: (Constant), HR Functional Competency, Technical Competency, Behavioural Competency

^b. Dependent Variable: OP

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	β	Std. Error	Beta			
1 (Constant)	.687	.044			-16.015	.000
KC	1.249	.060	.782		20.901	.000

^a. Dependent Variable: OP

$$\gamma = \beta_0 + \beta_1 KC = .703 + 1.249 KC$$

ANOVA ^a						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1 Regression	4.797	1	4.797	436.858	.000 ^b	
Residual	3.052	200	.011			
Total	7.849	120				

^a. Dependent Variable: OP

^b. Predictors: (Constant), KC

Residuals Statistics ^a					
	Minimum	Maximum	Mean	Std. Dev	N
Predicted Value	-.028314	.421485	.205132	.1311186	200
Residual	-.4120858	.2454981	0E-7	.1045964	200
Std. Predicted Value	-1.780	1.650	.000	1.000	200
Std. Residual	-3.933	2.343	.000	.998	200

^a. Dependent Variable: OP

The results presented in Table 4.38 show that the effect of Knowledge Competency on OP was significant negative (R= 0.687). This was an indication that Knowledge Competency explained 61.1% (R² =.472) of OP. The other variables in the firms explained the remaining 38.96%. The analysis from the model had the F value of

436.8. At p-value less than 0.05, the findings thus were sufficient to support effects of Knowledge Competency on Organisational Performance activity level, implying that Knowledge Competency had statistically significant positive effects on Organisational Performance activity level. The results indicate that there is a significant positive relationship between KC and Organisational Performance activity level. The firm under study with longevity of tenure creating Knowledge Competency score tended to have higher level of Organisational Performance activity. $\gamma = \beta_0 + \beta_1 KC = .687 + 1.249KC$; if KC is zero γ will be 1.936 units level of Organisational Performance activity performance while if KC is 10; γ will be $0.687 + (1.249 * 10)$ which is equal to 13.177 showing an increasing effect of KC on OP. The hypothesis that there is no relationship between Knowledge Competency and Organisational Performance activity level was therefore rejected. The results were consistent with the study conducted by Shleifer and Vishny (1997) who reported that there is a negative relation between ownership concentration and firm performance.

Second Hypothesis (H0₂)

The second objective of this study was to establish the effects of Skills Support System on Organisational Performance Activity level from among the sampled departments. The effects of Skills Support System were evaluated based on certain dimensions. These were evaluated against the indicators of Organisational Performance activity level. To test the effect of SSS on Organisational Performance components, various regressions were done to find out if the combined effects were significant or not to support the hypotheses. This resulted in the second hypothesis (H0₂) stated that there is no relationship between Skills Support System and Organisational Performance. Hypothesis two sought to establish the relationship

between Employee Tenure and Organisational Performance activity levels. This hypothesis was tested by regressing Skills Support System and Organisational Performance guided by the equation $\gamma = \beta_0 + \beta_1 SSS$ Where SSS represented Skills Support System and γ denoted Organisational Performance Activity Level. The results of the regression are presented in Table 4.39.

Table 4.39: Relationship between Skills Support System and Organisational Performance

Model Summary					
Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	
1	.814 ^a	.662	.292	.53541	

Predictors: (Constant), Role model and referral agent, common interest, Close friends and helpers, Respect Competence and Challengers, inside/outside employees

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.173	1	1.529	5.333	.000 ^b
Residual	16.340	200	.287		
Total	25.513	120			

^a. *Dependent Variable: Organisational Performance*
^b. *Predictors: (Constant), Role model and referral agent, common interest, Close friends and helpers, Respect Competence and Challengers, inside/outside employees*

Coefficients ^a					
Model	Un-standardized Coefficients		Standardized Coefficients	t-value	Significance p-value
	β	Std Error	Beta		
(Constant)	.328	.117		3.030	.051
Skills Support System	.623	.111	.654	4.564	.000

^a. *Dependent Variable: Organisational Performance activity level*
^b. *Predictors: (Constant), Role model and referral agent, common interest, Close friends and helpers, Respect Competence and Challengers*

$$\gamma = \beta_0 + \beta_1 SSS = .3283 + .623 SSS$$

The results from Table 4.39 are observation that there is a significant positive relationship between Skills Support System and Organisational Performance Activity

level ($R=.814$). This was an indication that Skills Support System explained 66.2% ($R^2=.662$) of Organisational Performance activity level. The other variables affecting Organisational Performance activity level explained the remaining 33.8%. The analysis from the model had the F value of 5.333 at p-value <0.05 , the findings were sufficient to support the relationship between Skills Support System and Organisational Performance activity level, inferring that Skills Support System had statistically significant positive effects on Organisational Performance activity level.

The results indicate that there is a positive significant relationship between SSS and Organisational Performance activity level. The financial outcomes, Market share, Learning, Growth and Process and Client loyalty ratio increases as SSS increases. Therefore given the equation $\gamma = \beta_0 + \beta_1 SSS = .3283 + .623 SSS$ when SSS is zero γ will be equal to 0.3283 and when SSS is increased to 10 units then γ will be $.3283 + .623(10)$, which will be 6.5583 units of CE level of activity showing an increasing effects of SSS on CE. Therefore the null hypothesis that there is no relationship between Skills Support System and Organisational Performance is rejected. Although in the literature there are varied results but this finding concurs with the finding of Berger and Lubrano, (2006) who found that firms with larger boards that are weak, SSS tend to have higher desire for improved Organisational Performance activities, which could be to leverage on their weak performance areas. They found out that Skills Support System as a dimension for ET which are more entrenched due to superior monitoring by longevity of tenure of employees pursue higher leverage to raise company value.

Third Hypothesis (H0₃)

The third objective of this study was to establish the effects of Stable Work Environment on Organisational Performance activity level. This effect of Stable Work Environment was evaluated based on Beginning Environment, organisational environment, managerial environment and individual environment, while Organisational Performance was evaluated by considering financial outcomes, learning, growth and processes, and client loyalty. This generated the *third hypothesis (H0₃)* which stated that there is no association between Stable Work Environment and Organisational Performance activity level. Hypothesis three sought to establish the influence of Stable Work Environment on firm performance. This hypothesis was tested by regressing Stable Work Environment and Organisational Performance activity level guided by the equation $\gamma = \beta_0 + \beta_1 SWE$ where SWE represented Stable Work Environment and γ denoted CE. The results of the regression are presented in Table 4.40.

Table 4.40: Effect of Stable Work Environment on OP

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	-.888 ^a	.789	.157	.62228

^a. Predictors: (Constant) Beginning Environment, organisational environment, managerial environment, and individual environment

ANOVA^b

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	4.054	1	4.054	10.470	.002 ^a
Residual	19.361	200	.387		
Total	23.416	120			

^a. Predictors: (Constant) Beginning Environment, organisational environment, managerial environment, and individual environment

b. Dependent Variable: Organisational Performance activity level

Coefficients					
Model	Un-standardized Coefficients		Standardized Coefficients	t-value	Significance p-value
	β	Std Error	Beta		
(Constant)	1.996	.712		2.804	.007
Stable Work Environment	.940	.256	.651	3.666	.001

a. Dependent Variable: Organisational Performance (OP)

$$\gamma = \beta_0 + \beta_1 SWE = 1.996 + .940 SWE$$

The results of analysis to establish the effects of Stable Work Environment dimensions on Organisational Performance activity level are shown in Table 4.40. Results indicate a significant negative relationship between Stable Work Environment and OP (R= -.888). The results indicate that a relationship exists between Stable Work Environment and OP. Stable Work Environment as a variable explained 78.9% (R= -.789) of Organisational Performance activity level the remaining 21.1% explained by other variables. The corresponding F value for the model was 10.470 at p-value greater than 0.05 (p<0.5), hence implying that Stable Work Environment variable was statistically significant effects on Organisational Performance level of the firms. Given the equation $\gamma = \beta_0 + \beta_1 SWE = 1.996 + .940 SWE$; when SWE is zero γ will be 1.996 units, while when SWE is increased to 10 units, then γ will be 11.396 units of Organisational Performance activity level. This shows increasing effects of SWE on OP. Hence the hypothesis that there is no relationship between Stable Work Environment and Organisational Performance activity level is rejected.

These findings are in agreement with the findings of Pinegar and Wilbricht (1989) who found out that there is a significantly negative relationship between Stable Work Environment and Organisational Performance activity level as measured by OP. The

results were consistent with the study conducted by Pinegar and Wilbricht (1989), they argued that Stable Work Environment can be used by increasing innovative ideas, risk taking portfolio, Client loyalty skills, without increasing agency costs and this will force the managers to invest in profitable ventures that will benefit the shareholders, because if they decide to invest in non-profitable ventures they will be unable to contain the composition of the board that benefits the firm.

Fourth Hypothesis (H0₄)

The fourth and last objective of this study was to establish the effects of Cost Effectiveness on Organisational Performance Activity level. The effects of Cost Effectiveness were evaluated based on certain dimensions (Wastage Minimization, Efficiency, and Quality). These were evaluated against the indicators of Organisational Performance activity level. To test the effect of CE on OP components, various regressions were done to find out if the combined effects were significant or not to support the hypothesis. This resulted in the fourth hypothesis (H0₄) stated that there is no relationship between Cost Effectiveness (CE) and Organisational Performance (OP). Hypothesis four sought to establish the relationship between Employee Tenure and Organisational Performance activity levels. This hypothesis was tested by regressing Cost Effectiveness (CE) and Organisational Performance guided by the equation $\gamma = \beta_0 + \beta_1 CE$ where CE represented Cost Effectiveness (CE) and γ denoted Organisational Performance Activity Level. The results of the regression are presented in Table 4.41.

Table 4.41: Relationship between Cost Effectiveness (CE) and Organisational Performance

Model Summary				
Model	R	R²	Adjusted R²	Std. Error of the Estimate
1	-.863 ^a	.744	.292	.53541

Predictors: (Constant), Wastage Minimization, Efficiency, and Quality in Service Delivery

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	9.173	1	1.529	5.4533	.000 ^b
Residual	16.340	200	.287		
Total	25.513	120			

^a. *Dependent Variable: Organisational Performance*

^b. *Predictors: (Constant), Wastage Minimization, Efficiency, and Quality in Service Delivery*

Coefficients^a

Model	Un-standardized Coefficients		Standardized Coefficients	Significance	
	β	Std Error	Beta	t-value	p-value
(Constant)	-.703	.117		3.050	.053
Cost Effectiveness (CE)	-.623	.111	.657	4.164	.000

^a. *Dependent Variable: Organisational Performance activity level*

^b. *Predictors: (Constant), Wastage Minimization, Efficiency, and Quality in Service Delivery*

$$\gamma = \beta_0 + \beta_1 CE = -0.703 - .623CE$$

The results from Table 4.41 are observation that there is a significant negative relationship between Cost Effectiveness and Organisational Performance Activity level (R= -.863). This was an indication that Cost Effectiveness explained 74.4% (R²= .744) of Organisational Performance level. The other variables affecting Organisational Performance activity level explained the remaining 25.6%. The analysis from the model had the F value of 5.453 at p-value <0.05, the findings were sufficient to support the relationship between Cost Effectiveness and Organisational Performance activity level, inferring that Cost Effectiveness had statistically significant negative effects on Organisational Performance activity level. Therefore

the null hypothesis that there is no relationship between Cost Effectiveness and Organisational Performance is rejected.

The results indicate that there is a negative significant relationship between CE and Organisational Performance activity level. The financial outcomes, learning, growth and processes and Client loyalty ratio decreases as well as decreases in OP. Although in the literature there are varied results but this finding concurs with the finding of Berger and Lubrano, (2006) who found that firms with long term employees, SSS tend to have higher desire for improved Organisational Performance activities, which could be to leverage on their weak performance level. They found out that Cost Effectiveness as proxy for ET which are more entrenched due to longevity of tenure of employees pursue higher leverage to raise company value. According to these studies, Cost Effectiveness may leverage the performance of some firms while it might mitigate against growth in others, and the effects could be positive, negative, or null, depending on market conditions (Boyd, 1995). In fact, Peng *et al.* (2007) suggested that this relationship is contingent on the environmental conditions faced by each individual firm. This may be the reason explaining the results of above mentioned relationships.

CHAPTER FIVE
DISCUSSIONS OF FINDINGS, CONCLUSIONS AND
RECOMMENDATIONS

5.0 Introduction

This chapter presents discussions of findings, conclusions of key findings of this study. The research objectives were used in order to present the findings of the study

as well as writing recommendations and in order to investigate the effects of employee tenure on organisational performance, which was the general objective. The target population consists of all the employees of Kenya revenue Authority Western region based in Kisumu town, as regional headquarters. The thesis also made inference four objectives supported by four hypotheses that knowledge competency, skills support system, Stable Work Environment, and cost effectiveness have no significant effect on organisational performance.

5.1 Discussions of Findings

Taken at face value, the results of this thesis suggest that tenure status has influence on organisation performance. To evaluate what this means about the influence of tenure policies, it is important to recognize that there are different goals associated with tenure policies and that some organisations may be interested in only one of them. If, for example, the aim is to give employees job security and fair treatment with regard to firing policies, then tenure may be effective at achieving it but this does not imply that employees who are not productive are merely retained in the organisation, this is why there are termination or retrenchment policies a firm can take; this thesis does not address this. If the rationale behind tenure goes a step further and intends for job security to provide an incentive for high quality performance, then there is evidence that earning tenure improves employee productivity and organisational performance. This is because implementing termination policies or sacking policies, non-performing employees are not spared hence those who earn longevity are only those who have shown improved performance to the organisation.

Organisation in the US, on average, dismiss about one employee per year for poor performance (Hess, 2003) this implies that the long tenured employees are those who are performing hence the reason for them not fired stay.

Based on the findings, the study found out that majority of participants is male accounting with a proportion of over 67% of the total respondents, which means that there are more male employees than female ones and that male dominancy is a factor in employee tenure in according to the respondents during the time of answering the questionnaire. The findings also affirmed that there were more married respondents, which may determine the decisions to frequently hope from job to job. The results also attested that majority of respondents had bachelors degree affirming that there were moderate levels of literacy among the respondents, a level of education that qualifies one to rank higher in performance since it enables one to acquire more knowledge, and skills for competency in productivity.

This implies that the modal age bracket was 25-44. The findings also affirmed that respondents have been in their work station or affirmed that majority of the participants have been with their current employer as from less than 10 years to 40 years confirming the organisational and employee desire to stay with this employer for longer tenure. It was also found out that majority of participants were at the lower level of management. In addition to that, the findings showed that majority of respondents are permanently employed.

The findings on the level of organisational performance showed that there was performance that meets the expectations. Majority 70.0% (140) of the sampled respondents approved the performance of this level of performance. The historical data also coincides with this findings where in the annual reports growth performance in three out of five departments surpassed 100%. That means the actual results were more than budgeted expected performance. This is an indication that the level of financial outcome is significantly stable. The remaining two departments also recorded a result of 99.9% and 99.3% respectively in the financial their performance levels. This is also not a bad level of performance as it is closer to 100%.

The other variable of performance measure in this study was market share. The firm has shown its presence in the entire country as well as the rift valley region. This is also confirmed by the findings as majority of respondents approved the market share level of performance as also meeting the expectations, especially exceptional 46% (92) that accounted for close to a half of the sampled population and in total, 76.0% (152) of respondents approved the market share performance of the firm as meeting the expectations. The performance based on learning, Growth and Process show that majority of respondents approved the level rating as exceptionally higher. This is also related to the level of education; desire to stay longer in the organization, training and development, various incentives that employees are able to access in this organization. Moreover, the performance based on clients loyalty, the findings showed that majority of respondents stated that there is very high level of performance that meets expectations. There are information on improved on line tax

return filings, increased tax compliance and reduced level of tax evasion as the level of detection of risks increases.

In general findings of organisational performance, of all the items of performance measures, it showed that Learning, Growth and Process scored the highest 79% (158), market share 76% (152), then clients loyalty at 72% (144) and finally financial outcomes which accounted for 70% (140). This may be attributed to the fact that these attributes are important in performance as they may be the drivers of financial outcomes.

The findings of descriptive statistics showed that the mean scores of employee skills on performance is moderately stable at highest score of mean 3.9060 and standard deviation of 1.38329 with the least mean score of 3.0016 and standard deviation of 1.04037. This is an indication that generally the level of performance as influenced by employee tenure is stable and higher. At the same time, mean scores for each indicator ranged from 2.0015(SD = .00145) to 2.23457 (SD = .10897). Financial outcomes had the highest mean scores, while organizational performance had the lowest mean and standard deviation scores. Overall, the item mean for organizational performance was 2.0015 (SD = .00145), which was within the lowest average level. This is an indication that the performance level is compliant with the individual items of measure hence a rating of healthy performance.

The study found out that majority of participants approved the statement that the employee tenure enables accumulation of considerable knowledge base of the company's culture and its products and services. In relations to employee having experienced many changes within the workplace, and consequently understand what works and what doesn't, results show that strongly agree accounted for 52.7% (106), agree 35.3% (71), disagree accounted for 07.3% (15), and strongly disagree 02.7%(06). This is an indication that majority of the participants agreed that employee tenure enable them experience many changes within the workplace, and consequently understand what works and what doesn't. At the same time, these results show that that strongly agree accounted for 51.3% (103), agree 34.0% (68), disagree accounted for 09.3% (19), and strongly disagree 05.3% (11). This is an indication that majority of the participants also agreed that tenure has enabled them develop quality standard and accuracy technique minimizing mistakes and resource wastage.

Moreover, from the findings one realizes that strongly agree accounted for 50.7% (102), agree 32.7% (66), none 02.0% (04), disagree accounted for 09.3% (19), and strongly disagree 05.3% (11). This implies that majority of participants approved the statement that tenure has made them possess a keen understanding of procedures and techniques for increased financial management or revenue administration. Also participants with opinion of strongly agree accounted for 50.7% (102), agree 32.7% (66), disagree accounted for 10.0% (20), and strongly disagree 06.7% (14). This

implies that majority of participants agreed with the statement that employee tenure necessitates creation of routine success in service delivery.

Again these results reveal that strongly agree accounted for 49.3% (74), agree 34.7% (70), disagree 10.0% (20), and strongly disagree 06.0% (12). This implies that majority of participants agreed with the statement that the tenure necessitates cooperative work relations in groups and teams. In relation to measure that Ability to complete objectives and goals under pressure without supervision, the findings show that strongly agree accounted for 48.7% (98), agree 32.7% (66), none 02.7% (06), disagree 10.0% (20), and strongly disagree 06.0% (12). This implies that majority of participants accepted the statement that tenure enhances ability to complete objectives and goals under pressure without supervision.

The objective one stated the effect of knowledge competency on organisational performance. The findings showed that reported that knowledge competency is an essential component of their tenure. Knowledge competency has enabled them to acquire considerable knowledge base of the company's culture and its products and services, have experienced many changes within the workplace, and consequently understand what works and what doesn't, developed quality standard and accuracy technique minimizing mistakes and resource wastage, possess a keen understanding of procedures and techniques for increased Revenue Administration, creation of routine success in service delivery, necessitates cooperative work relations in groups and teams and ability to complete objectives and goals under pressure without

supervision. All elements that are performance based for improved productivity and in generally Knowledge Competency was (mean=2.68314). This means that higher level of knowledge competency have an effect on the performance of this organisation.

The objective two was to find out the effects of skills support system on organisational performance. The findings revealed that there was a strong positive correlation meaning that skills support system has a significant effect on the performance level of an organisation. This means that higher skills support system will increase organizational performance.

The third objective of the thesis was to determine the effects of Stable Work Environment on organisational performance. The findings showed a strong negative relationship between the two implying that weaker work environment means poor or lower level of performance.

The fourth objective was to examine the effect of cost effectiveness on organisational performance. The findings indicated that there is a significant positive relationship between them. This implies that where there is low cost effectiveness, there will be poor level of performance that requires improvements. The findings therefore showed that there are negative and positive effects of the four components of employee tenure on organisational performance.

Hypotheses Testing

There were also four hypotheses that were tested by this thesis. Hypothesis 1 tested the relationship between knowledge competency and organisational performance. The test findings showed that there was significantly positive relationship between knowledge competency and organisational performance, knowledge competency was negatively correlated to organisational performance (coefficient estimate ($\beta_1 = 0.681$, p value =0.000). There is moderately high degree of knowledge competency has been found to influence the competitiveness of the organisation in terms of poor employee productivity as they may intend to perform simpler activities in order to avoid this situation.

Hypothesis 2 tested the statement that there is no relationship between skills support system and organisational performance. The findings revealed that there is no agreement with this statement, (coefficient estimates ($\beta_2 = 0.311$, p value =0.000). This showed that a high level of employee skill support system contributes immensely to organisational performance.

Hypothesis 3 stated that Stable Work Environment has no significant effect on organisational performance. The findings showed that there is no agreement with this statement since Stable Work Environment has coefficient estimate ($\beta_3 = 0.238$, p value =0.018), hence hypothesis 3 does not hold. It means that higher level Stable Work Environment improves performance as employees are dedicated to their assigned duties without fear

Hypothesis 4 states that cost effectiveness has no significant effect on organisational performance. The statistical tests findings showed that there is inconsistency with the hypothesis; hence Cost Effectiveness was correlated to organisational performance, (coefficient estimates ($\beta_4 = -0.186$, p value =0.000). This means that when organization attains level of being cost effective, there is an increased level of performance.

5.2 Conclusions

These findings provided an environment that proves the Knowledge Competency has an effect on organisational performance as it contributes to the improvement or decrease in performance, and an indication of its magnitude effect. From the study findings there is enough proof to conclude that knowledge competency is related to performance level that meets the expectation, exceptional and that exceeds expectations.

There is also a proof that Skills Support System has an important role in improving organisational performance. Specifically, for employee tenure with ability to disseminate these skills to the new recruits, performance likely to improve since there will always be a match in employee competency level.

There were also findings that Stable Work Environment has a significant effect on organisational performance. This implied that stable work place support employee

skill and knowledge development enhancing experience as there is no fear that the next move is sacking of an employee. The last conclusion made was that Cost Effectiveness has a significant effect on organisational performance. It is therefore prudent for the firms to ensure that there is cost effectiveness level in the system so that resources wastages are not encountered.

Finally the general conclusion is that Employee Tenure has significant effects on Organizational Performance. The findings above provide evidence of proof that the components of employee tenure are related to organisational performance either positively or negatively.

5.3 Recommendations

From the findings and conclusions above, the thesis makes the following comments: That it is not an offense for an employee whose desire is to find an organisation where he/she can work for longer period of time. At the same time, an employer who reaps talent and competency from employees owing to their long tenure has no reason to merely retrench or sack such employees only because they have overstayed. What is important is productivity and improvement in the work place. No organisation engages on introducing incentives that are expected to improve employee competency yet after obtaining such incentives such employee is intended to leave next minute. That will be a poor management strategy. The findings have proved that there are indeed effects of employee tenure on organisational performance.

The findings of this thesis deduced that Knowledge Competency has a profound effect on organisational performance. This suggested that organisations with employees whose longevity is higher contribute to performance. Therefore, the organisations should strive to ensure that their long tenured employees keep acquiring higher level of knowledge competency to maintain or improve on their performance. The study finds strong support for the argument that Skills Support System has effects on performance, thus there should be an environment that encourages employees in their tenure state to obtain relevant skills that will support all employees whether newly recruited or current ones. This way, new and even weak employees will have a support system internally to maintain competency.

The findings also indicated that Stable Work Environment has a significant effect on performance. Thus the employee tenure must maintain the environment that is stable to keep current and new ones without fear of being the next on axe line. The stability of work environment enables accumulation and acquisition of talents that are essential to performance improvement. Finally, Cost Effectiveness was also found to have a significant effect on organisational performance, therefore the organisations need to ensure that they work toward achieving this status to reduce unnecessary wastages of resources.

5.4 Suggestions for Further Studies

This study was done only in a sub-region, it is important for future studies to be done on a larger study area, such as the entire country. The other case was that this study

did not look at the cause effects so it is important to carry out a longitudinal study of at least five years to determine the Cause Effects of Employee Tenure on Organizational Performance. There is also the need to study the effects of Short Term and long Term employment on performance.

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Appendix I: Letter of Authority to Carry out Research

Appendix II: Letter to Conduct Research

Dear Sir/Madam,

My name is Angeline Atieno Oyomo, admission No SHR/PH/03/13, a Masters student supervised by Prof. L. Mulongo and Mr. Onganya at Moi University

department of Development Studies. I am conducting a research to investigate on *Effects of Employee Tenure on Organisational Performance: a Case Study of Kenya Revenue Authority (KRA) Western region*. I kindly request your permission to interview employees of in your organisation within this region. I believe and faithfully convinced that the results of the research study will be useful to your organisation as well as the government and this will be published but the name of the employees and the department will not be published.

Although there may be direct benefit to the ministry of finance and the treasury, the possible benefit of regional employees is for me as the researcher to establish facts that will support my investigation on the said topic. Please do not hesitate for any questions concerning this research study, please contact me.

Yours sincerely

Angeline Atieno Oyomo, admission No SHR/PH/03/13
M.HR Student, Department of Development Studies
+254721425695.

Appendix III: Permission Letter from NACOSTI

Appendix IV: Letter to Survey Participants

Dear Participant

You are invited to participate in a study project aimed at investigating on *Effects of Employee Tenure on Organisational Performance: a Case Study of Kenya Revenue Authority (KRA) Western region*.

This information will give better insight into the understanding of *Effects of Employee Tenure on Organisational Performance: a Case Study of Kenya Revenue Authority (KRA) Western region*. This study is being conducted under the supervisions of Prof. L. Mulongo and Mr. Onganya at the School of Human Resource Development in Moi University. Your participation in this research project is voluntary and confidential. At no time will the name of any department or individual be identified. While results will be made available, you are guaranteed that neither your department nor your name will be identified in any report of the results of the study.

If you have any questions concerning the research study, please do not hesitate to call me at: +254721425695.

Yours sincerely,

Angeline Atieno Oyomo,
Admission No SHR/PH/03/13

Appendix V: Sample Questionnaire

This questionnaire is intended to find out useful information about employee tenure on organizational performance: a case study of Kenya Revenue Authority Branch in Western region. It helps to gather information on knowledge competency, skills support system, Stable Work Environment, and cost effectiveness of employee tenure and its influence on organizational performance. Please fill it in as candidly as possible. The information provided in this questionnaire will be treated with extra care and shall remain confidential about the respondent. You are not required to write your name anywhere in this questionnaire form. Please fill in the form and return it, once more your time set aside to fill this form is very much appreciated.

SECTION A: DEMOGRAPHIC CHARACTERISTICS OF PARTICIPANTS

1. What is your Gender?

Male	()
Female	()

2. What is your marital status?

Single	()
Married	()
Separated /Divorced	()
Widowed	()
None of Above	()

3. What is your highest level of education?

PRIMARY /Secondary	()
Certificate	()
Diploma	()
Bachelors Degree	()
Masters Degree	()
Others (Specify).....	

4. What is your age bracket?

18-24	()
25-34	()
35-44	()
45-54	()
55–Above	()

5. How long have your worked for this institution?

Less than 10 Years	()
10-30 Years	()

30-40 Years
 40-Above

SECTION B: ORGANISATIONAL PERFORMANCE

6. What is the level of performance of this organization in relation to the following items of performance measure?

Item	Unsatisfactory	Improvement needed	Meets expectations	Exceptional	Exceeds expectations
Financial Outcomes					
Market Share level					
Learning, Growth and Process					
Clients Loyalty					

7. What are the organisational performance dimensions common to your institution?

Dimensions	DS	DM	DS	AS	AM	AS
Financial outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Learning, Growth and Process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Client Loyalty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Disagree Strongly (DS); Disagree Moderately (DM); Disagree Slightly (DS); Agree Slightly (AS); Agree Moderately (AM) and Agree Strongly (AS)

8. When measuring performance, which dimension is most important?

Financial outcomes
 Market share
 Learning, Growth and Process
 Client Loyalty

9. What is the level of performance of each dimension of measure as shown in question no. 7 in relation to employee tenure?

Dimensions	U	IN	ME	E	EE
Financial outcomes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Market share	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Learning, Growth and Process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Client Loyalty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unsatisfactory (U); Improvement needed (IN); Meets expectations (ME); Exceptional (E) and Exceeds Expectation (EE)

10. Please rate the degree of your agreement with the following statements as related to the influence of employee tenure on performance

Statement	SD	D	N	A	SA
The organisation has been able to maintain strong performance in return on investment due to employee					

longevity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There have always been increased profits as a percent of revenue collected to employee length of stay in the firm	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The firm's net income before taxes has always been increasing annually	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The present value of the firm has maintained healthy and stable results	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The firm has been able to increase its market coverage in the region	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It has been possible to achieve intended targets of revenue collection and growth in new areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
expanding coverage of tax collection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Client Compliance Level has enabled the cost reduction in investigating tax evaders and avoidances	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The firm has increased wealth of risk detection and management	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There has been growth in efficiency in resource utilization	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Growing client loyalty is because of continuity among employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee longevity has influenced stability in revenue collection at minimum costs due to their length of experience in areas that are critical to the exercise	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The organisation has seen its assets growing due to effectiveness and efficiency of employee longevity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

11. How could you rate the performance level of this organisation?

- Leading Performance
- Solid Performance
- Strong Performance
- Building Performance
- Not Meeting Expectations

SECTION C: INFORMATION ON EMPLOYEE TENURE-KNOWLEDGE COMPETENCY DIMENSION

12. Please indicate the degree of your agreement or disagreement with the following statements of employee tenure.

Statement	SA	A	N	D	SD
1. Considerable knowledge base of the company's culture and its products and services					
2. Have experienced many changes within the workplace, and consequently understand what works and what doesn't					
3. Developed quality standard and accuracy technique minimizing mistakes and resource wastage					
4. Possess a keen understanding of procedures and techniques for increased sales					
5. Creation of routine success in service delivery					
6. Necessitates cooperative work relations in groups and teams					
7. Ability to complete objectives and goals under pressure without supervision					
8. Establishes an invaluable support system to new employees due to them undergoing training and development before					
9. Provides reassurance to him that in time to new employee when stressed or overwhelmed job duties					
10. Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production					
11. Reduce waste, errors and spoilage at to a manageable level					
12. Have invaluable skills that strengthen new recruits knowledge gain					
13. Represents self to others in a professional manner					
14. High level of accuracy, neatness, and consistency in all areas of job performed is maintained					
15. Reflects a morale boosting environment that a prerequisite for result improvement					
16. Reduces disruption of work environment because a suitable replacement must be found					
17. It is a reflection of assured security of the job					
18. It reduces High Cost of employee replacement hence improved financial viability					
19. Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover					
20. Establishes and maintains effective relationship with others necessary for success teamwork and group creation					
21. Turnover Costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure					
22. Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention					

employees					
24. It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul					
25. It improves employee vested interest in company success as the job becomes a career					
26. Increased financial results due to reduced operational cost and expenses					

13. Can the components of employee tenure of Knowledge Competency influence performance?

- Yes
- No

14. Which components of the knowledge competency do you consider most important when it comes to the influence on performance?

- Behavioural Competency
- Technical Competency
- HR Functional Competency

15. What is the level of knowledge competency in this organisation?

- Advanced
- Proficient
- Developing
- Does not demonstrate

16. Please rate the degree of your agreement with the following statements as related to the knowledge competency activities

Statement	SD	D	N	A	SA
Considerable knowledge base of the company's culture and its products and services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Have experienced many changes within the workplace, and consequently understand what works and what doesn't	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Developed quality standard and accuracy technique minimizing mistakes and resource wastage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Possess a keen understanding of procedures and techniques for increased revenue administration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Creation of routine success in service delivery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Necessitates cooperative work relations in groups and teams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to complete objectives and goals under pressure without supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. Which activity of knowledge competency do you consider most important?
- Considerable knowledge base of the company's culture and its products and services
 - Have experienced many changes within the workplace, and consequently understand what works and what doesn't
 - Developed quality standard and accuracy technique minimizing mistakes and resource wastage
 - Possess a keen understanding of procedures and techniques for increased Revenue Administration
 - Creation of routine success in service delivery
 - Necessitates cooperative work relations in groups and teams
 - Ability to complete objectives and goals under pressure without supervision
18. In which ways does knowledge competency influence performance?
- 1.....
 - 2.....
 - 3.....
 - 4.....
 - 5.....

SECTION D: INFORMATION ON EMPLOYEE TENURE-SKILLS SUPPORT SYSTEM

19. Which components of the skills support system do you consider most common when it comes to the influence on performance?
- Role model and Referral agent
 - Common interest
 - Close friends and helpers
 - Respect Competence and Challengers
20. Please rate the degree of your agreement with the following statements as related to the skills support system activities
- | Statement | SD | D | N | A | SA |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Establishes an invaluable support system to new employees due to them undergoing training and development before | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Provides reassurance in time to new employee when stressed or overwhelmed job duties | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reduce waste, errors and spoilage at a | | | | | |

- manageable level () () () () ()
- Have invaluable skills that strengthen new recruits knowledge gain () () () () ()
- Represents self to others in a professional manner () () () () ()
- High level of accuracy, neatness, and consistency in all areas of job performed is maintained () () () () ()

21. Which activity of skills support system do you consider most important?
- Establishes an invaluable support system to new employees due to them undergoing training and development before ()
 - Provides reassurance that in time to new employee when stressed or overwhelmed job duties ()
 - Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production ()
 - Reduce waste, errors and spoilage at to a manageable level ()
 - Have invaluable skills that strengthen new recruits knowledge gain ()
 - Represents self to others in a professional manner ()
 - High level of accuracy, neatness, and consistency in all areas of job performed is maintained ()

22. In which ways does skills support system influence performance?
- 1.....
 - 2.....
 - 3.....
 - 4.....
 - 5.....

SECTION E: INFORMATION ON EMPLOYEE TENURE-STABLE WORK ENVIRONMENT

23. Which components of the stable work environment do you consider most important when it comes to the influence on performance?
- Beginning ()
 - Organisational ()
 - Managerial ()
 - Individual ()

24. Please rate the degree of your agreement with the following statements as related to stable work environment activities

	Statement	SD	D	A	SA
	Reflects a morale boosting environment that a prerequisite for result improvement				
	Reduces disruption of work environment because a				

	suitable replacement must be found				
	It is a reflection of assured security of the job				
	It reduces High Cost of employee replacement hence improved financial viability				
	Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover				
	Establishes and maintains effective relationship with others necessary for success teamwork and group creation				

25. Which activity of stable work environment do you consider most important?

- Reflects a morale boosting environment that a prerequisite for result improvement
- Reduces disruption of work environment because a suitable replacement must be found
- It is a reflection of assured security of the job
- It reduces High Cost of employee replacement hence improved financial viability
- Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover
- Establishes and maintains effective relationship with others necessary for success teamwork and group creation

26. In which ways does stable work environment influence performance?

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

SECTION F: INFORMATION ON EMPLOYEE TENURE-COST EFFECTIVENESS

27. Which components of the cost effectiveness do you consider most important when it comes to the influence on performance?

- Wastage Minimization
- Efficiency
- Quality

28. Please rate the degree of your agreement with the following statements as related to stable work environment activities

	SD	D	N	A	SA
Turnover Costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure					
Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to					

hiring are minimized by employee retention					
Indication for a good working environment to newly recruited employees					
It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul					
It improves employee vested interest in company success as the job becomes a career					
Increased financial results due to reduced operational cost and expenses					

29. Which activity of cost effectiveness do you consider most important?

- Turnover Costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure ()
- Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention ()
- Indication for a good working environment to newly recruited employees ()
- It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul ()
- It improves employee vested interest in company success as the job becomes a career ()
- Increased financial results due to reduced operational cost and expenses ()

30. In which ways does stable work environment influence performance?

- 1.....
- 2.....
- 3.....
- 4.....
- 5.....

Appendix VI: System of Questionnaire Analysis

The Employee Tenure Components were rated based on the multifactor questionnaire, which provide the items that are used to evaluate tenure. The MLQ is provided in both Self and Rater forms. The Self form measures employee tenure influence on performance. The Rater form is used to measure employee tenure component importance. The 5-scale measurement is used:

Scoring

1. Sum the responses on items 1, 2, 3, 4, 5, 6 and 7 (Knowledge Competency-KC)
2. Sum the responses on items 8, 9, 10, 11, 12, 13 and 14 (Skills Support System-SSS)
3. Sum the responses on items 15, 16, 17, 18, 19, and 20 (Stable Work Environment-WES)
4. Sum the responses on items 21, 22, 23, 24, 25, and 26 (Cost Effectiveness-CE)

Total Scores

Knowledge Competency _____

Skills Support System _____

Stable Work Environment _____

Cost Effectiveness _____

Scoring Interpretation

This questionnaire is designed to measure four components of tenure: knowledge competency, Skills support system, Stable Work Environment, and cost effectiveness. By comparing the scores, it will help to determine which components are most dominant and least dominant in Employee Tenure and Organizational Performance Relationship.

If the score is 26–30, this is in the very high range.

If the score is 21–25, this is in the high range.

If the score is 16–20, this is in the moderate range.

If the score is 11–15, this is in the low range.

If the score is 6–10, this is in the very low range.

Appendix VII: Scale of Score Measurement

The items were subjected to the score of 1-100 counts of scores

Scales analysis)	Weightings	Scores (for regression and correlation
0-29	20%	total of all item frequencies in a variable
30-49	40%	total of all item frequencies in a variable
50-69	60%	total of all item frequencies in a variable
70-89	80%	total of all item frequencies in a variable
90-100	100%	total of all item frequencies in a variable

Items of Analysis

Content Reported	frequency	Score
Organisation Performance Indicators		
• Financial Outcomes		
• Client Loyalty		
• Learning		
• Growth and Processes		
Statement on Performance		
1. There is improvement in Revenue collection		
2. Revenue Viability level has been stable		
3. Cost minimization on Tax Administration		
4. Organisation maximizes resource usage		
5. There are reduced employee turnover costs		
6. The firm is able to use adaptive technologies		
7. There is improvement on the firm's performance		
8. Effectiveness and efficiency level has improved		
9. Tenure has enhanced development and retention of relevant experience		
Dimensions of Employee Tenure:		
Knowledge Competency		
• Behavioural Competency		
• Technical Competency		
• HR Functional Competency		
1. Considerable knowledge base of the company's culture and its products and services		
2. Have experienced many changes within the workplace, and consequently understand what works and what doesn't		
3. Developed quality standard and accuracy technique minimizing mistakes and resource wastage		
4. Possess a keen understanding of procedures and techniques for increased revenue administration		
5. Creation of routine success in service delivery		

7. Ability to complete objectives and goals under pressure without supervision		
1. The current behavioural competency of long term employees is the core influencer of performance		
2. The behavioural competency of long term employees is maintained thus improving its operational performance		
3. The firm considers behavioural competencies that strategically enhances its performance improvement		
4. Decision making processes are quick and fast in because of technical competency of long term employees enabling quick response to new challenges in tax collection		
5. The HR functional competency enhances undertaking of self-evaluation and review in areas of organisational performance		
6. The HR functional competency is effective at improving entrepreneurial culture in the firm		
7. Technical competency usually enhances support for development of efficient ICT programmes expertise and experience thus improving on performance		
Skills Support System		
<ul style="list-style-type: none"> • Role model and Referral agent • Close friends and helpers • Respect Competence and Challengers • Common interest 		
1. Establishes an invaluable support system to new employees due to them undergoing training and development before		
2. Provides reassurance in time to new employee when stressed or overwhelmed job duties		
3. Have mastery artistic of problem-solving, as they most likely have seen those same problems in the past and know exactly how to overcome them quickly without slowing down production		
4. Reduce waste, errors and spoilage at to a manageable level		
5. Have invaluable skills that strengthen new recruits knowledge gain		
6. Represents self to others in a professional manner		
7. High level of accuracy, neatness, and consistency in all areas of job performed is maintained		
1. Employees have acquired skills to help define goals for positions one might assume in the future		
2. source of valuable information about the opportunities and problems associated with a given role		
3. Employees have mastered skills of connecting one with resources in the environment through		
4. their knowledge of people and organizations to obtain needed assistance		

5. Employees have ability to help provide nurturance and caring, who enjoy some of the same interests, and who keep one from becoming isolated and alienated		
6. They are depended upon in a crisis to provide assistance as they have become experts in solving particular kinds of problems and may not be the type with whom one would choose to have a close personal relationship		
7. Acquired skills of sharing common interests or concerns that are important in keeping one motivated, and in sorting out those problems that are primarily those of the individual room problems imposed by the larger system and require collective activity to bring about change in that system		
8. Employees become respectful to the skills one has already developed and value the contributions that one makes in a given situation. They are particularly helpful during times of transition when one may be feeling unsure of oneself in developing new skills		
9. They help motivate one to explore new ways of doing things, develop new skills, and work toward the development of latent capabilities		
10. Help cope and return to our previous level of functioning particularly in times of high stress or major transitions to cope with anxiety, the energy it takes to crisis, physical and emotional difficulties, or overload of demands. They become resourceful in order to maintain high level of activity		
Work Environment Stability (SWE)		
• Beginning		
• Organisational		
• Managerial		
• Individual		
1. Reflects a morale boosting environment that a prerequisite for result improvement		
2. Reduces disruption of work environment because a suitable replacement must be found		
3. It is a reflection of assured security of the job		
4. It reduces High Cost of employee replacement hence improved financial viability		
5. Long tenure reduces uncertainty in existing employees, and stop wondering who next in the line of turnover		
6. Establishes and maintains effective relationship with others necessary for success teamwork and group creation		
1. Enable development of policies that help put in place additional initiatives to ensure compliance thus enhancing employees' productivity		
2. Enables retention of the talent and maintaining a stable workforce that the institution has already have enabling continuity in performance improvement		
3. Enables maintenance of sufficient qualified and productive workforce and reduced impact of negative relationships brought about by frequent employees turnovers		
4. Enhances supply of competent, dedicated, and effective		

efficient revenue collection at friendly environment to all Kenyans		
5. Necessitates maintenance of customary workforce eliminating the job security fear among employees		
6. Reduces the frustratingly difficult process of finding, recruiting, and hiring the caliber of employees that the institution has developed overtime to help it achieve its goals		
Cost Effectiveness (CE)		
• Wastage Minimization		
• Efficiency		
• Quality		
1. Turnover Costs such as for exit interviews, administrative tasks related to termination processing, severance or separation pay, and unemployment compensation are reduced due to long tenure		
2. Replacement costs such as advertising for new jobs, screening applicants, conducting interviews, and administrative tasks related to hiring are minimized by employee retention		
3. Indication for a good working environment to newly recruited employees		
4. It establishes confidence that provides an employee with a feeling of stability making them to work harder for a company they know they will be with for the long haul		
5. It improves employee vested interest in company success as the job becomes a career		
6. Increased financial results due to reduced operational cost and expenses		
1. Improving service options to taxpayers, facilitating participation in the tax system by all Kenya		
2. Simplifying the tax process and increasing the scope and accessibility of services offered electronically thus enhancing cost efficiency minimization		
3. Enables upgrading KRA's ICT to facilitate achievement of international best practice, raise performance standards and reduce operational costs		
4. Necessitates increased efficiency and operational Effectiveness		
5. Improving customer service by benchmarking service delivery standards against (upper) middle income country standards, expanding the scope of services to meet international best practice and increasing service options to taxpayers		
6. Helps in achieving the revenue targets through a revamped enforcement strategy, innovative approaches to enhance collection in sectors with low tax compliance and scaling up taxation of all sectors at comparably less cost		

