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The Effect of Human Resource Management Practices on the Relationship between Employee Age and Employee Performance in Kenyan State Corporations

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ABSTRACT

A number of studies have established that employee age has a statistically non significant relationship with employee's performance. This has therefore inspired the need to find out factors that may strengthen this relationship. The study therefore sought to investigate the influence of human resource management practices on the relationship between employee age and employee performance in Kenyan State Corporations. The study was anchored on Expectancy theory which posits that performance depends not only on the magnitude of efforts exerted but also on other factors such as individual abilities and traits. It was also supported by Continuity theory which states that, individuals who age successfully, continue with positive habits, preferences and lifestyles which maintain or improve their performance. The philosophical foundation adopted for the study was logical positivism. A descriptive cross sectional survey research design was used. Employee performance was the dependent variable, employee age was the independent variable and human resource management practices were the moderating variable. A sample population of 384 employees at all levels was established using the Webster (1995) formula. The number and type of respondents were picked by use of stratified simple random sampling. Primary data was collected on employee performance using a structured questionnaire comprising five point likert type scales. Data was analyzed by use of descriptive and inferential statistical techniques. Both correlation and regression analysis techniques were used to test the relationship hypotheses. Pearson Product Moment Correlation (r) was used to assess direction (positive or negative) and strength of the relationship between the study variables. Simple, multiple and stepwise regression analysis were used to test inferential relationships. Results indicated a statistically non significant relationship between employee age and employee performance contrary to the prediction in hypothesis one. Results indicated that HRM practices moderated relationship between employee age and employee performance. The study concludes that age alone is not enough to make decisions on issues pertaining to HR development policies and practices that will help to reap maximum benefits from their employees. It is recommended further that State Corporations should facilitate employees to participate in decision making and adequately compensate them to enhance their motivation and performance. The study extents the body of knowledge in age management practices. Further research needs to be done to incorporate other factors such as gender and employee competence. Further research also needs to be extended to other sectors like the private sector and non governmental organizations.

Key words: Employee age, Human resource management practices, employee performance.

INTRODUCTION

1.1 Background to the study

There has been considerable academic and practitioner interest in the relationship between employee age and employee performance due extension of individual lifespan and the fall in birthrate in developed countries leading to a high number of unemployed older people being supported by a small number of the working population (Karpinen, 2011). Age plays an important role in a wide range of employee behaviors that determine his/her performance. Measurement of employee performance gives an indication as to the effectiveness of an organization to achieve its overall strategic goals hence organization performance. A number of studies (such as Omari 2014), have established a non significant relationship between employee age and employee performance implying that age alone is not sufficient to determine employee performance. Other factors such as competence, education, skills and human resource management practices have been found to affect this relationship.

Many studies on the relationship between employee age and employee performance have been conducted in developed countries, necessitating similar studies to be carried out in developing countries. In addition, many governments have raised concern over the rising costs of retirement benefits, pensions and social welfare benefits given to retirees and elderly citizens who contribute little to the countries' national income. This has prompted the need for organizations to consider retaining older employees a bit longer as a cost effective measure. The current study focuses on how employee age relates with employee performance as moderated by human resource management practices.

The current study is based on expectancy and continuity theory. Expectancy theory posit that performance depends not only on the magnitude of efforts exerted but also on other factors such as individual abilities, traits and role perceptions influenced by factors such as skills level, education and age. Continuity theory states that, individuals who age successfully, continue positive habits, preferences, lifestyles and relations in the middle and later ages, which maintains or improves their performance (James et al., 2011). This study is conducted to evaluate the relationship between employee age and employee performance as influenced by human resource management practices in the Kenyan State Corporations.

Employee age has been classified into, young, middle aged and older employees. The focus on state corporations has been driven by the fact that state corporations play a vital role in the country's economic development. Correlation and Regression analysis techniques were used to analyze the data. The current research explores the effectiveness of human resource management practices to moderate the relationship between employee age and employee performance. The study will be helpful in organization decision making on age management practices and optimizing the abilities of the employees by practicing efficient management practices.

Employee age is the minimum age of admitting an individual into employment up to retirement time (Swarthert, 2015). It varies with the type and nature of work. Studies such as Lewin (2006) have shown that age influences a number employee behaviors that determine his/her performance. Other studies have reported contradicting evidences regarding age in relation to ability and competence. Boulander (2007) and Maitland (2013) argue in favor of older employees' competence while Graham (2007) supports his argument in favor of younger employee's competence.

William (2004) gives classification of employee age as Generation Jones (1955 - 1965) Generation X (1966 – 1976), and Generation Y (1977 – 1994). The extension of retirement age in the Kenyan public service from fifty five to sixty years has aroused interest in the relationship between employee age and employee performance to seek the rationale of this structural state decision.

HRM practices are performance-enhancing activities that improve employee competitiveness and hence performance (Ochoti, 2011). Organizations adopt a variety of performance-enhancing or progressive human resources management (HRM) practices to improve their competitiveness in the global market place (U.S Department of Labor, 2012). HRM practices are a process of attracting, motivating, and retaining employees to improve their performance and hence productivity of the organization (Schuler and Jackson, 1987). The practices selected for this study are based on its importance in relation to the industry selected for the analysis.

HRM has a wide range of practices. The HRM practices used in this study are listed and defined as follows: employee participation and empowerment, employee training and development, adequate and fair compensation, employee welfare benefits, performance management. Professionals and academicians have long asserted that the way in which an organization manages people can influence their performance. Substantial uncertainty however remains as to how and to what extent HRM practices influence the relationship between employee age and employee performance. This study sought to address this concern.

Employee performance is an essential concept in management research. It is the ability of an employee to carry out a piece of work, duty or expected tasks according to an established standard (David, 2010). Measurement of performance gives an indicator to the organization's productivity (Musyoka, 2010). Employee performance is measured on the basis of task performance and contextual performance. Justification for the choice of the variable employee performance was that it determines the organization's productivity. State Corporations play a critical role in Kenya's economic growth and development. They are formed through an Act parliament (GOK, 2012). Currently Kenya has 187 state corporations operating in different sectors of the economy such as agriculture, transport, communications, manufacturing, and trade among others (TPPR, 2013). These corporations fall under the State Corporations Act (CAP 446) of the Laws of Kenya (GOK, 2012). Under performance of some State Corporations can be attributed to old technologies, over-reliance on limited public sector financing, poor expenditure controls, underfunding, financial mismanagement, irregularities and malpractices. According to Njiru (2008), State corporations exist to; correct market failure, exploit social and political objectives, provide education, health, redistribute income or develop marginal areas. The decision making and service delivery in State corporations is also hampered by conflicting interests between management and other political actors (Obare, 2006). To make them viable, there is need to come up with strategies on age management practices to enhance employee performance.

1.2 Research Problem

Age determines varied employee behaviors such as performance, commitment, intentions to quit, job satisfaction, and organization citizenship behavior (Boulander, 2007). Quite a number of employee issues, including hiring and placement decisions, promotion opportunities and employee productivity or performance are influenced by employee age (Dalton and Thompson, 2009). However, the extent to which employee age influences employee performance is a problem that this study sought to address. Many studies have established a non significant relationship between employee age and employee performance. However no study has been done to show whether this finding would hold in the presence of other factors or under different conditions. Scholars such as Boulander and Snell (2007) come up with conflicting arguments for and against the young and old employees. This study contributes to the debate by incorporating moderating variables. The focus on State Corporations is driven by the fact that the sector makes an important contribution to Kenya's economy. However, some of these organizations are economically unviable due to old technologies, financial mismanagement, poor structures and malpractices (Obare, 2006). Related studies on age and performance reveal inadequacies and inconsistencies such as methodological gaps and inadequate coverage that the current study partly sought to address.

1.2 The Research Objective

The objective of the study was to establish the effect human resource management practices on the relationship between employee age and employee performance in Kenyan State Corporations.

2.0 : LITERATURE REVIEW

2.1 Employee Age

Based on age, inferences about a person's attitude and social behavior can be made to determine his performance. Evaluating employee age is an everyday pastime in organizations as it is important for managing employee performance (Barbara, 2006). People's beliefs, judgments and notions about age, affect a wide range of employment issues, including hiring decisions, promotion opportunities, placement, compensation, termination and retirement. The legal working age is the minimum age required by law for a person to work in a given country or jurisdiction (Menounis, 2015). The requirement varies with the type and nature of work. International Labor Organization (ILO) put the minimum age for admission into employment or work for young persons as eighteen years. Boulander (2007) asserts that as employees advance in age, they gain a wealth of experience and expertise and can be used to train new and young employees. In acknowledging the wealth of experience and expertise of older workers, Maitland (2013) notes the absence of experienced older engineers with discomfort. Graham (2007) on the other hand asserts that younger workers are preferred as they are more up to date than their older counterparts, they can be trained faster and they are able to change faster.

Generation Jones (50 – 60 years) are older employees. They were most vulnerable to HIV AIDS pandemic in the 1980's and 1990's, which impacted negatively on their level of performance (William, 2004). Generation X (39 - 49 years) are middle age employees who are associated with high levels of skepticism and a reputation for innovation and improving their performance. Generation Y (21 – 38 years) are younger employees who are associated with new and higher levels of technology known as the digital and computer era. For the purpose of this study, Generation Y are employees captured in this study from 18 years to 38 years as this is the minimum age of employment in Kenya.

2.2 HRM practices

HRM practices are designed to enhance human capital which is key in achieving organization objectives and goals (Delery and Doty, 1996). The appropriate application of HRM practices enhances employer and employee commitment to the organization (Purcell, 2003). HRM practices encourage the employees to work better in order to increase the organizational performance (Snell and Dean, 1992; Pfeffer, 1998). HRM practices were selected for this study because they influence a wide range of employee behaviors which enhance their performance at work (Omari, 2012). Hassan (2016) conducted a study to evaluate the relationship between HRM practices and employee performance in the textile sector of Pakistan. Results indicated that HRM practices including compensation, career planning, performance appraisal, training and employee involvement have a positive impact on employee performance.
The most relevant HRM practices (training and development, performance appraisal, career planning system, employee participation, and compensation system) were selected as the best indicators of HRM practices. Correlation and Regression techniques were used to analyze the data. The study revealed a significant

relationship between Human Resource Management (HRM) practices (Compensation, Career Planning, Performance Appraisal, Training, and Employee Involvement) and employee's performance. The study revealed that employee's performance can be increased by giving them an opportunity to make effective and sound decisions (Hassan, 2016).

Other studies have shown that age influences the extent to which individuals respond to these behaviors (Bertucci, 2006). Various researches have reported significant findings on the association between firm - level measures of HRM practices and employee performance (Ochoti, 2011). HRM has a wide range of practices including employee participation and empowerment, compensation and benefits (pay), employee welfare benefits (such as housing and medical), training and development (Skills development) and performance management. The study adopts these practices as they are relevant to Kenyan state corporations. This change organizations are undergoing necessitates examining the above assumptions to establish the extent of the influence of HRM practices on the relationship between employee age and employee performance.

2.4 Employee Age, HRM Practices and Employee Performance

With changing retirement ages and an aging workforce, interest is growing on the potential contribution of relevant bundles of HRM practices in eliciting well-being and performance among aging workers (Akhter, 2013). HRM practices are the means by which a business sets out to achieve its desired goals on human capital (porter, 2008). Varied HRM practices will differently influence age cohorts of various employees (porter, 2008). Currently, companies gain strong competitive advantage through applying effective and efficient human resource management practices (Huselid, 2004). If the human resources are managed properly, they can contribute to organization success (Schuler, 2009).

The effective management of human resources is possible through the implementation of sound HRM practices (Akhter, 2013). A study by Alum (2013) sought to find out the impact of HRM practices on employee performance in the context of cement industry in Bangladesh. The researcher tried to investigate the impact of the various components of HRM practices on employee performance on a sample of 160 employees from seven cement companies listed in the Dhaka stock exchange. The result showed that training & development and opportunity for career development have a significant positive impact on employee performance.

Mullins and Peacock (1991) posit that empowering the employees by involving them in decision making is an HR practice that contributes to the success of any given organization as it boosts employee performance which in turn increases the productivity of the organization, saves time for decision making, lowers the gap between supervisor and subordinates, harmonizes organization activities and encourages a strong sense of teamwork among workers.

Smith (2017) focused on empowering employees in order to release their potential. A study by Nykodym et al. (2014) indicated that empowering the employees can reduce conflict among them, enhance team spirit and organization success.

Hassan (2016) argued that compensation can be utilized to reward employee's performance, encourage organization loyalty to reduce turnover. A study conducted by Frye (2004) sought to find out the relationship between compensation and employee performance. Results indicated a positive relationship between the two variables. The study further reported that compensation strategies play an important role in human resource functions like recruiting and retaining skilled employees who contribute to increased productivity of the organization. Collins (2003) posits that most of the firms use Performance-based compensation which is a strong tool that positively influences employee's performance to reward the employees who become motivated to enhance their performance.

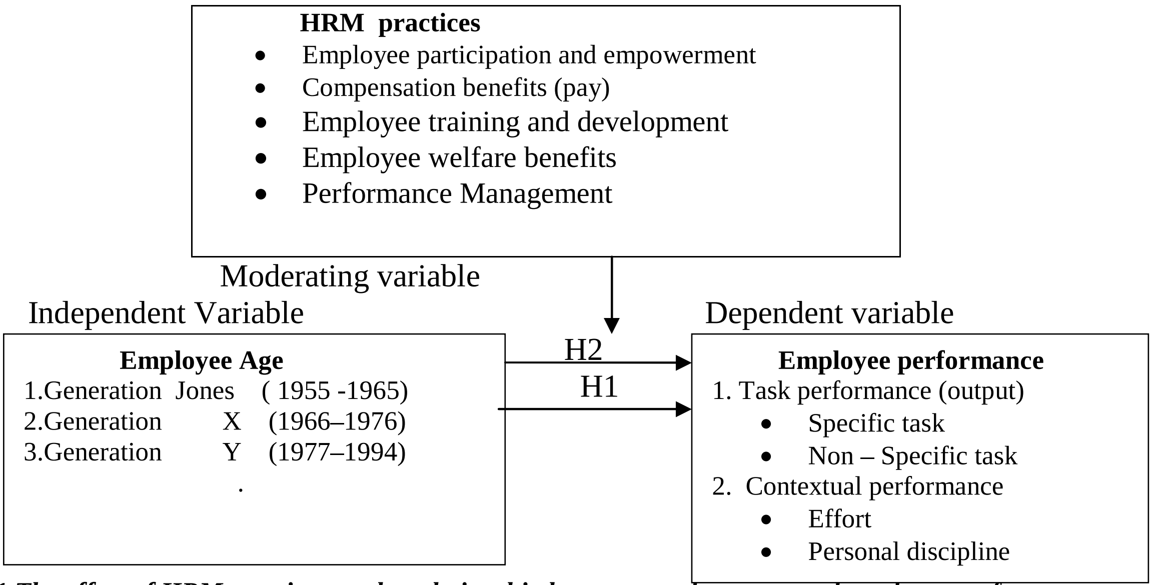
A research study by Huselid (1995) which had similar objectives as those of Frye (2004) revealed a significant relationship between compensation and employee performance in glass manufacturing organizations. On the relationship between age and compensation, Cook (2006), posits that, unlike millennials who like to change employers frequently based upon compensation, job satisfaction and life goals, the baby boomer is more likely to be a loyal, steady employee. The older generation isn't as concerned about compensation and satisfaction, and is more likely to view a job only as a necessary means of support. They don't change jobs very often and once you have them, an older hire is looking for an employer and company that they can stick with for years.

According to China Gorman, CEO at Great Places to Work (2008) "as companies grow and the war for talent intensifies, it is increasingly important that training and development programs are not only competitive, but are supporting the organization on its defined strategic path." And it's not just about retention. In their Predictions for 2015, Bersin and Deloitte (2014) posited that "Organizations with high-impact learning delivered profit growth three times greater than their competitors. Why is this? Simply put—if you can keep your employees current and skilled, you can evolve and perform better than your competitors."

A study by Parter (2011) examined individual and situational factors that impact on the relationship between age and employee training and development willingness. It investigated supervisors' beliefs about the avoidance orientations of older employees and whether these beliefs would moderate the relationship between employee age and training and development willingness. The proposed moderation effects were found true. It was further shown that entity self-theory beliefs, perceived developmental support, and supervisor avoidance orientation beliefs were related to the training and development willingness of older subordinates (Berkey, 2004). A desired change can be attained in employees performance by providing them proper training (Huselid, 2005). On the effect of age on training, Parter (2011) posits that "older hires already understand the work process and are ready to be trained directly for the job. A younger employee grew up in an environment of classroom learning, an older hire has less classroom education, but more on the job experience.

2.5 Conceptual Framework

The schematic diagram presented below (Figure 2.1), shows the relationship between three variables under study; Employee Age, was divided into three categories: Generation Jones (1955 -1965) or 50 to 60 years Generation X (1966–1976) or 39 to 49 years and Generation Y (1977–1994) or 21 to 38 years is the independent variable. Human resource management practices (Employee participation and empowerment, Compensation benefits, Employee training and development, Employee welfare benefits and performance management) is the moderating variable and Employee performance (Task performance; Specific and non specific tasks) and Contextual performance (Effort, personal discipline and teamwork) is the dependent variable. From the conceptual framework, hypotheses were developed to test the proposed relationships. Based on the literature, studies have established the relationship between employee age and employee performance (H1). Expectancy theory suggests that, this relationship can be weak until other factors such as individual abilities, traits, educational level, skills level and training level come in as moderators. HRM practices (H2) come in as moderators. This relationships are depicted in the conceptual framework (figure 2.1)



. *Fig 2.1 The effect of HRM practices on the relationship between employee age and employee performance*

2.9 Hypotheses of the Study

From the conceptual framework, two hypotheses were developed to test the proposed relationships. The hypotheses formulated to test the moderating effect of HRM practices on the relationship between the dependent variable (employee performance) and independent variable (employee age) of the study is shown below.

H_1 There is a relationship between employee age and employee performance.

H_2 The effect of employee age on employee performance is moderated by Human Resource Management Practices

3.0 RESEARCH METHODOLOGY

3.1 Research Philosophy

The philosophical foundation of this research is logical positivism which is a strong form of empiricism that seeks facts or causes of social phenomenon with little regard for the subjective status of individuals. Logical positivism posits that, universal scientific prepositions are true only if they have been verified by empirical tests and the laws of behavior can be discovered scientifically by observation and analysis of empirical events (Berkey, 1995) In positivist paradigm, scientific process is followed in hypothesizing fundamental laws then deducing the observations so as to prove the stated hypothesis.

3.2 Research Design

A descriptive research design was used as information sought was personal in nature in terms of views, opinions, attitudes and perceptions. The design guides the selection of sources and types of information (Musyoka 2010). It is a framework for specifying the study variables (Ntale, 2010). Descriptive survey assists the researcher to establish whether significant associations among variables exist at one point in time depending on the resources available and the target population (Whidet, 2007).

3.3 Population of the Study

The target population consisted of over 100,000 employees of state corporations in Kenya, which forms the basis of the sampling frame as it categorizes a total of 187 public corporations by function under five different sectors namely commercial state corporations - 34, state corporations with strategic functions - 21, executive agencies - 62, independent regulatory-25, and research, public universities and training institutions - 45, (TPRR, 2014). The number of employees differ from one organization to another depending on the nature of trade and activities.

3.4 Sample Design

To make the study representative, the sample was drawn from the headquarters and regional offices throughout the country. The employees form the sampling frame. Employees were the unit of analysis. The sample design used was proportionate stratified sampling technique. The sample size was 384, determined using the Webster formulae described below. Webster (1995) suggests that where the population is more than 10,000, as is the case in this study, and exact population has not been determined, a sample size called adjusted minimum can be used without affecting the accuracy of the study. Webtser (1995) suggests the following formulae to be used to estimate the sample size.

$$\mathbf{n = \frac{Z^2 \pi (1 - \pi)}{(Error)}}$$

Where π is taken to be 50% proportion diversified employees of the state corporations. At 95% desired Level of confidence and margin error of 5% the sample size (n) is calculated as indicated below:

$$\mathbf{n = \frac{(1.96)^2 (0.5)^2}{(0.05)^2.} = 384.6 = employees}$$

Table 3.1 Selected Number of corporations per Sector and number of respondents

NO.	SECTOR	CORPORATION PER SECTOR	SELECTED NO OF CORPORATIONS PER SECTOR	NO. OF RESPONDENTS PER SECTOR
1	Commercial state Corporations	34	3	90
2	State corporations with strategic functions	21	1	30
3	Executive agencies	62	4	120
4	Independent regulatory agencies	25	2	60
5	Research, Public universities and T.I	45	3	90
	TOTAL	187	13	390

Table 3.2 below shows sampled State corporations from every sector and the targeted number of respondents from every sector. Stratified sampling technique was to ensure proportionate representation in the sample. The strata comprised of human resource managers, line managers, Technicians/ supervisors, clerks & secretaries and other workers. Simple random sampling was used to pick the number of respondents, from every stratum. The percentages were based on the number of employees in every stratum over total respondents (Table 3.2).

Table 3.2 Categories of respondents in each organization

CATEGORY/ STRATA	Human resource Managers	Line manager	Technicians/Supervisors	clerks & secretaries	Other workers/staff	TOTAL
PERCENTAGE	3.3%	10%	20%	20%	46.7%	100%
EXACT NO.	1	3	6	6	14	30

3.5 Data Collection

The study used primary data which was collected on employee age, HRM practices and employee performance. Data on work place factors that influence employee performance was also collected. The researcher used a questionnaire for employees and management to collect primary data. The two questionnaires contained both structured and unstructured questions. Questions in the questionnaire for employees were subdivided into sections for clarity. The types of questions included Section A and B1 multiple choice for information on Bio data and employee competence. Section B2 was based on ratings of a 5 point likert scale, Section D collected information on task performance and contextual performance.

3.6 Reliability and Validity of the Research Instruments

Internal consistency reliability was used. Internal consistency reliability assesses the ability to produce similar results when different samples are used to measure a phenomenon during the same time period (McDaniel & Gates, 2010). The Cronbach's Alpha Coefficient was used to assess the internal consistency of the scale items. Alpha coefficients of above 0.7 imply reliability or internal consistency. (Cronbach, 2004; Nunnaly, 1978).

Validity is the degree to which data collection instrument measure what it is intended to measure. Content Validity of the research instrument was gauged using a *pilot study*. The pilot comprised administering the research instrument to State Corporation employees, 3 from each of the 5 clusters. Such questionnaire pre-testing helps to identify problems with the data collection instruments and find possible solutions. Corporations used in the pilot study were excluded from the final study.

3.7 Data Analysis and Presentation

Statistical package for social sciences (SPSS) tool was used to analyze quantitative data. Descriptive analysis were conducted to present the main characteristics of the sample. Measures of central tendencies, mean, frequency, mode, median, index, cross tabulation and standard deviation were used in analyzing the quantitative data which was based on information from questionnaires focusing on demographic characteristics and organization characteristics. To establish the nature and magnitude of the relationships between variables and to test the hypotheses, inferential statistics were used. The appropriate tests were the parametric tests of correlation analysis and regression analysis. Pearson Product Moment Correlation (r) was used to assess relationships between the variables, specifically to determine both the direction (positive or negative) and strength of the relationship between the study variables.

Regression analyses namely, Simple linear, multiple and stepwise regression analysis, were conducted to determine the expected relationship between the variables, measure the amount of variation and determine the effect of the variation. Coefficient of determination (R2) was used to measure the amount of variation between the study variables. It also provided measure for the magnitude of dependent variable and values for predictor variables by providing estimate equations. The expected relationship was between employee age (independent variable) and Employee performance (Dependent variable) and the moderating effect of HRM practices on this relationship. The regression analysis was conducted at 95% level of confidence to test the hypothesis. The amount of variation between the study variables for each hypothesis was determined by the coefficient (R^2)

4.0 DATA ANALYSIS, AND FINDINGS

4.1 Introduction

The linkages and relationships among the various study variables as shown in the conceptual framework provided the foundation for this study. These variables include Employee age operationalised as (young employees, middle age employees and older employees) HRM Practices as (Employee participation and empowerment, Compensation benefits (pay) Employee training and development**,** Employee welfare benefits and Performance Management) and employee performance (Task performance and contextual performance).

4.2 Test of Hypotheses

To test the hypotheses, simple, multiple and stepwise regression analysis techniques were conducted at 95% confidence level. The analysis was utilized to assess the predictive ability of the independent variable on the dependent variable and how HRM practices moderate this relationship. To indicate how well the independent variable accounts for variance in the dependent variable, the goodness of fit was applied. To establish the predicted significance of the independent variable on dependent variable, the overall significance was determined. The hypothesis was formalized on the basis of the research objectives, the literature reviewed in chapter two. Conceptual framework is shown in Figure 2.1. Coefficient of determination (R^2) was used to measure the amount or magnitude of variation in the depended variables. Beta (β) was used to determine the contribution of a unit of a predictor variable to the change in the criterion variable. F- ratio was used to assess the overall significance of the model. P-value 0.05 was used to check the statistical significance.

4.3a The effect of HRM Practices on the Relationship between Employee Age and Employee Performance

To assess the effect of HRM Practices on the relationship between employee age and employee performance, the following hypothesis was formulated: **H_2 : The effect of employee age on employee performance is moderated by Human Resource Management Practices**

Stepwise regression analysis technique was used to test the hypothesis as shown below;

For stepwise regression

STEP 1. $EP = \beta_0 + \beta_1 EA + \varepsilon$

STEP 2. $EP = \beta_0 + \beta_1 EA + HRMP + \varepsilon$

STEP 3 $EP = \beta_0 + \beta_1 EA + \beta_2 HRMP + \beta_2 EA * HRMP + \varepsilon$

where

Employee performance [EP] = f (Employee age [EA]). and Human Resource management Practices [HRMP], Interaction term[EA HRMP], Error tern [ε]* and β_0*= Constant,* β_1*= Regression coefficient.*

To create the interaction term, employee age (EA) and Human Resources Management Practices (HRMP) were entered to get a single indicator representing the product of the two variables. To solve the problem of multicollinearity the two factors were standardized by use of (z) scores with zero mean and one standard deviation.

Stepwise regression results testing the moderating effect of Human Resource Management Practices on the relationship between employee age and employee performance are shown in table 4.1. Model 1 tested the single relationship between employee age and employee performance. This model produced $R^2 = .000$, $F (1,286) = .070$, $p >.05$. The model reveals a statistically insignificant relationship between employee age (independent variable) and employee performance (dependent variable). In step 2 both employee age and HRM Practices were entered into the regression equation simultaneously as presented in model 2. This model produced $R^2 = .0314$, $F (1,286) = .07356$, $p >.05$ which was statistically insignificant. In step three **(**Model 3), the interaction term is entered. To create the interaction term, employee age (EA) and Human Resources Practices (HRMP) were entered to get a single indicator representing the product of the two variables. This model produced $R^2 = .134$, $F (53,244) = .0878$, $p >.05$ which was statistically significant. The hypothesis was therefore confirmed right and therefore accepted. HRM Practices moderated the relationship between employee age and employee performance.

Table 4.1 Regression test results for the moderating effect of human resource management practices on the relationship between employee age and employee performance

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df1	df2	Sig F Change
1	.016[a]	.000	-.003	.810	.000	.070	1	286	.792
2	0.267	0.0314	0.1178	.7506	.03775	.7356	9.8	281	.542
3	.366[b]	.134	-.019	.817	.134	.878	53	244	.689

a. Predictors: (Constant), Employee Age, Employee Competence.

The interaction between employee age (independent variable) and HRM Practices (moderating variable) EA*HRMP brings about a change in variance (ΔR^2) accounting for 0.134 which was positive and statistically significant from the step 1 model 1. F change recorded a variance change of .878 which was statistically significant (p >.05.). As seen in model 3, *EA,HRMP* and the interaction term *EA*HRMP* accounted for 13.4 % of the variance in employee performance (R^2 = .134). Table 4.2 shows the ANOVA outcomes of the effect of HRM Practices on the relationship between employee age and employee performance. In step one, the relationship between employee age and employee performance was tested. Model I produced F (1,286) = 0.070 which is statistically insignificant. In step two Model 2 employee age and HRM Practices were put in the regression model. The Model produced F(11,222) = 0.0456 which is statistically insignificant. In step three model three presents the overall combined relationship between employee age, HRM practice, the interaction *EA*HRMP* and employee performance. After introduction of the interaction term, It clearly shows that overall, there is a statistically significant relationship between employee age, HRM practices, the interaction term *EA*HRMP* and employee performance, as F (43,287) = .878, (p >.05.) the hypothesis was confirmed. HRM Practices moderated the relationship between employee age and employee performance.

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Table 4.2 ANOVA outcomes for the effect of employee age, HRM practices on employee performance

	Model	Sum of squares	D f	Mean Square	F	Sig
1	Regression	.046	1	.047	.070	.792[b]
	Residual	187.829	286	.657		
	Total	187.875	287			
2	Regression	27.5802	11	1.6982	0.04562	.373
	Residual	124.441	222	.552		
	Total	151.9912	233			
3	Regression	25.169	43	.585	.878	.6896
	Residual	162.706	244	.667		
	Total	187.875	287			

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATION

5.1 Summary of the findings

The objective of the study was to establish the effect HRM practices on the relationship between employee age and employee performance in the Kenyan State Corporations. The hypotheses formulated for this objective was; **1. There is a relationship between employee age and employee performance. 2. The effect of employee age on employee performance is moderated by Human Resource Management Practices in Kenyan State Corporations**. Stepwise Regression analysis was conducted to test this hypothesis at 95% confidence level. Results showed that, overall model 1 was in significant (R^2 = .000, F (1,286) = .070, p >.05. since the p - value (0.792) > 0.05). In Model 2, R^2 = .0314, F (1,286) = .07356, p >.05. Thus 3.14%. statistically insignificant and in Model 3 after entering the interaction term, the results were R^2 = .134, F (53,244) = .0878, p >.05 The interaction between employee age (independent variable) and HRM Practices (moderating variable) EA*HRMP brings about a change in variance (ΔR^2) accounting for 0.134 (13.4%. which is statistically significant). This demonstrated that HRM Practices moderated the relationship between employee age and employee performance. Level of significance is at p >.05 (5%)

The ANOVA outcomes for the effect of HRM Practices on the relationship between employee age and employee performance gave the following results: In step one, the relationship between employee age and employee performance was tested. Model I produced F (1,286) = 0.070 which is statistically insignificant. In step two, Model 2, employee age and HRM Practices were put in the regression model. The results indicated F (11,222) = 0.0456 which is statistically insignificant. In step three model three presents the overall combined relationship between employee age, HRM practice, the interaction *EA*HRMP* and employee performance. After introduction of the interaction term, It clearly shows that overall, there is a statistically significant relationship between employee age, HRM practices, the interaction term *EA*HRMP* and employee performance, as F (43,287) = .878, (p >.05.) the hypothesis was confirmed. HRM Practices moderated the relationship between employee age and employee performance.

5.2 conclusion and recommendations

It should be noted that both correlation and regression analyses indicated a statistically insignificant relationship between employee age and employee performance. This implies that age alone does not determine or influence the performance of employees in Kenyan State corporations. The results contradict emphasis on organization decisions related to age factors on recruitment, promotion and even retirement. State Corporations should lay less emphasis on these age related decisions. Other factors should be considered alongside the age factors. Results of this survey indicated that HRM practices moderate the relationship between employee age and employee performance. State Corporations should enhance and vary HRM practices to step up their employee performance. In particular the components of HRM practices including employee participation and empowerment, and adequate fair compensation which were less practiced in state corporations, as they were ranked last by respondents, should be improved upon. State Corporations should come up with age management practices to enhance the performance of their employees. They should provide suitable work environment, age oriented motivation and maintain good relationship with their workers. These were areas respondents raised their concern. This will enhance successful ageing, continued positive habits, preferences and lifestyles that maintains or improves their productivity. This is based on continuity theory on which this study is anchored.

5.3 Suggestions and Recommendations for Further Research

The study findings contribute to the existing body of knowledge based on the conceptual and empirical evidence. More research is required to understand the effectiveness of other factors such as employee competence and work environment which may influence the relationship between employee age and employee performance. This could bring more insights to expand the current findings. There is also need to carry out a study in other organization particularly in the private sector and the NGOS.

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