

A faint, light blue world map is centered in the background of the top half of the cover.

Journal of Human Resource and Leadership (JHRL)

**Employee Relations Practice and Employee Performance in City
County Governments in Kenya**



**CARI
Journals**

Employee Relations Practice and Employee Performance in City County Governments in Kenya



^{1*}Mary Ngima Wanjau, ²Prof. Roselyn W. Gakure, ³Dr. Victoria Wanambiro, ⁴Dr. Susan Naikuru

¹PhD Student, Jomo Kenyatta University of Agriculture and Technology.

^{2,3,4}School of Business and Entrepreneurship, Jomo Kenyatta University of Agriculture and Technology.

<https://orcid.org/0009-0003-0559-5795>

Accepted: 24th Aug, 2026, Received in Revised Form: 9th Sep, 2026, Published: 24th Sep, 2026

ABSTRACT

Purpose: This study aimed to establish the influence of Employee Relations Practice on Employee Performance in the City County Governments in Kenya focusing on the psychological contract, work environment and employee involvement. The Social Exchange Theory underpins the Employee Relations Practice in this study.

Methodology: The study is a cross-sectional survey research design of a descriptive nature, using stratified simple random sampling technique. The target population was the four (4) City County Governments with the target group being the 434 management employees across the top, middle and lower management levels in the City County Governments. The study sampled 261 respondents for the study by using the Yamane (1967) formula for calculation. Self-administered questionnaires collected primary data, while obtaining secondary data from all related documents. The study used both descriptive and inferential statistics for data analysis. T-statistics at 95% level of confidence, Pearson Moment Correlation with p-value <0.05> and Analysis of Variance (ANOVA) through F-test tested the hypothesis.

Findings: The findings reveal that the Employee Relations Practice on its own explains 46% of the variance in Employee Performance in City County Governments in Kenya. Regression analysis results show that Employee Relations Practice has a positive and statistically significant influence on Employee Performance with the regression coefficient of ($\beta = 0.794$, $p < 0.05$).

Unique Contribution to Theory, Practice and Policy: The study findings endorse the theoretical framework and strengthens the theory (Social Exchange Theory) used to explain the variables. It also contributes to the theoretical literature by providing a basis through which the theoretical proposition used in the formulation of the research hypotheses is empirically tested. The study findings highlight the need of matching policy intentions to operational reality in the City County Government to avoid the disparities in implementation of Employee Relations Practice. In practice, the study informs the HR professionals and practitioners on employee integration and implementation of supportive structures to improve employee performance and thereby improve service delivery across departments. The study contributes to knowledge and research by providing empirical evidence and reference point for scholars and researchers.

Keywords: *Employee Relations Practice, Psychological Contract, Work Environment, Employee Involvement*

JEL Codes: *M54; M12; J24; and H83*



1. INTRODUCTION

The nature of the employment relationship between employees and their employers is an issue of central importance to human resources management. Employment relationship is also important due to its effect on how employees and employers behave from day to day and describes the dynamic interlocking economic, legal, social and psychological relations that exist between individuals and their work organizations (Cole & Kelly, 2019). Underpinning the employment relationship is the psychological contract expressing certain assumptions and expectations about what managers and employees have to offer and are willing to deliver (Armstrong, 2020). Effective Employee Relations Practice include employee communication, participation in decision-making, grievance handling, conflict management, collective bargaining, employee welfare, disciplinary procedures and workplace justice, all of which enhance trust, cooperation, employee motivation, retention and productivity (SHRM, 2025; Onyango, 2024). According to Armstrong (2020), Employee Relations Practice involves managing the relationship between employers and employees with the aim of achieving organizational objectives while ensuring employee welfare and satisfaction. Scholars argue that Employee Relations Practices are essential in creating a supportive work environment that encourages employee engagement, trust, loyalty and improved job performance. A study by Wang Luan & Ma (2024) emphasized that strong Employee Relations Practice contribute to employee satisfaction, commitment and improved organizational outcomes. The study further found that organizational support, employee recognition and fair workplace treatment, positively influence employee motivation and job performance. Rubel, Lee, Daghriri & Rimi (2023) established that high-commitment Employee Relations Practice, such as employee involvement, trust, recognition and supportive leadership significantly improve employee performance and reduce negative workplace behavior. The study concluded that employees are more productive when organizations foster positive Employee Relations Practice and participatory management styles.

Employee performance refers to how well an employee has accomplished the tasks and obligations delegated to them by their employer, as well as how well they have met or exceeded expectations in their role. This can include things like productivity, work quality, deadline adherence, communication skills, teamwork, and adherence to company policies and procedures (Grote, 2016; Kilika, Namusonge, & Kipkoech, 2018; Sharma & Garg, 2019). Several factors can influence employee effectiveness in Kenyan county governments. Individual, organizational, and environmental factors are the major categories for these components. Individual factors are related to the employee's personal characteristics, talents, and attitudes (Kihoro & Kariuki, 2018; Jepkemboi, 2020). An employee's level of education, experience, motivation, and job satisfaction, for example, can all have an effect on their performance. Organizational factors, on the other hand relate to the organization and its rules, processes, and culture. Knies and Leisink (2018), decry the need for more research in developing countries public sector HRM. They argue that lack of human capacity; low salary levels; lack of practical performance standards; inability to dismiss people and to attract appropriately trained people; inadequate management by supervisors and ineffective HRM

policies and practices inhibit service delivery and need reforms if public services are to be improved. Employee performance can be influenced by factors such as the clarity of work tasks and responsibilities, the availability of resources and support, the quality of training and development provided to employees, and managers' leadership styles (Gathogo, 2019; Miheso, Kibera, & Ndede, 2021). Finally, environmental factors are a significant contribution to organizational success. These include factors related to the broader socioeconomic, political, and cultural context in which the organization functions. Factors such as job market rivalry, current economic situations, and cultural values and customs influence employee performance (Birech, Kosgey & Tirimba, 2020; Kiprono, Rotich & Sitienei, 2018). According to Marchington, Wilkson, Donnelly and Kynighou (2016) workers with employment security and relatively harmonised workplace are more likely to be positive about problem-solving groups, show interest in team working if the organization rewards their efforts with performance-related incentives, share ownership, work life balance and access training opportunities. Miheso *et al*, (2021) noted the significance of leadership as a factor of employee performance in their study. The leadership style and actions of managers and supervisors significantly affect employee performance. Effective leaders set clear expectations, give feedback and support, inspire and motivate their teams, and foster a healthy work atmosphere. Contrarily, Kenyan scholars (Kinyanjui & Iravo, 2020; Miheso, *et al*, 2021) showed the extent to which leaders can demotivate workers, generate a toxic work environment, and promote disorientation and unpredictability. Employees who obtain the right training and development are likely to perform better in their jobs (Kariuki & Nyamwange, 2020; Ouma, Abere & Kituyi, 2020). Performance management systems that are fair, transparent, and consistent show a favourable impact on employee performance, according to Ombui, Karanja and Kimani (2021). Employees are typically more engaged and productive when they receive regular feedback on their performance, have defined goals and objectives, and are accountable for their job. Programs for recognition and awards based on performance can also inspire workers to work more (Githinji, Kinyua & Ngugi, 2020).

The City County status of a County government underscores its importance in governance, policy-making and administration as well as its economic significance. The four City County Governments inherited the largest number of the defunct Local Authorities' employees (26% of the total County Public Service) and this study focuses on Employee Relations Practices and Employee Performance. Previous studies indicate that these City County Governments are also grappling with various challenges of urbanization, infrastructure, deficits, traffic congestion, solid waste management and socio-economic inequalities contrary to what Urban Areas and Cities Act stipulates (Agola, 2020). Although cities and towns have better services compared to the rural areas, the lack of social support and environmental ergonomics coupled with congestion, pollution and economic pressures, the residents are not happy with the services. The public has recently increased pressure on their counties and cities to raise the quality of service delivery (Nduta & Wanjira, 2019). Munywoki and Kangure (2023) highlighted concerns raised by the Auditor General Report (2017) pertaining to employee performance in Nairobi City County based on public complaints regarding poor service delivery in the City County. Notable efforts to improve on efficiency and effectiveness on

county public service delivery through service charters are evident although these have not met expectations. Predictable workforce problems are emerging and disrupting service delivery. Human resources constrains particularly in specialized areas like engineering, technical and professional areas are already causing performance challenges in the counties due to lack of skilled manpower (Sirite, Ongori & Bosire, 2017). Previous inefficiencies inspired the current public service innovations in a bid to improve efficiency in service delivery even though there is no proper documentation of the effects of these innovations and research demonstrating the efficacy of county public service delivery is limited. City County Governments in Kenya present more visible and measurable Human Resource Management (HRM) challenges, making them suitable for empirical study. They also provide a suitable context for examining the Employee Relations Practice and Employee Performance due to the complex administrative structures, large and diverse workforce and a high demand for public services. Unlike other counties City County Governments in Kenya, experience intensified HRM challenges including workforce diversity, promotion stagnation, and contractual employment pressures, which significantly influence employee performance. Furthermore, their central role in economic and governance activities enhances the relevance and applicability of findings to broader public sector reforms.

1.1 Statement of the Problem

Despite the existence of formal human resource policies, labour regulations and employee-relations frameworks in Kenya's City County Governments, evidence indicates persistent weaknesses in their implementation. Studies in Nairobi, Mombasa and Nakuru have reported challenges involving grievance handling, communication, rewards, promotion, working conditions, provision of work resources and employee participation, resulting in low morale, employee dissatisfaction and industrial conflicts (Wanja, Thurania & Kubason, 2024; Kisuke & Elly, 2023; Marube, Ndungu, Njoroge, Madaraka & Omwega, 2023; Makori & Kipkebut, 2026). These findings suggest a persistent policy–practice gap, whereby the existence of formal Employee Relations Practices does not necessarily translate into their effective implementation. However, existing empirical studies have largely examined individual employee-relations issues or isolated HRM functions, providing limited evidence on the extent to which City County Governments implement Employee Relations Practices as an integrated HRM practice and how their implementation influences employee performance therein. Although studies have identified weaknesses in employee relations in individual City County Governments, limited evidence explains the underlying institutional and managerial factors responsible for the persistent implementation gap. This study seeks to address the disparity between the formal existence of Employee Relations, their effective implementation, and the consequent implications for Employee Performance in City County Governments in Kenya.

1.2 Research Hypothesis

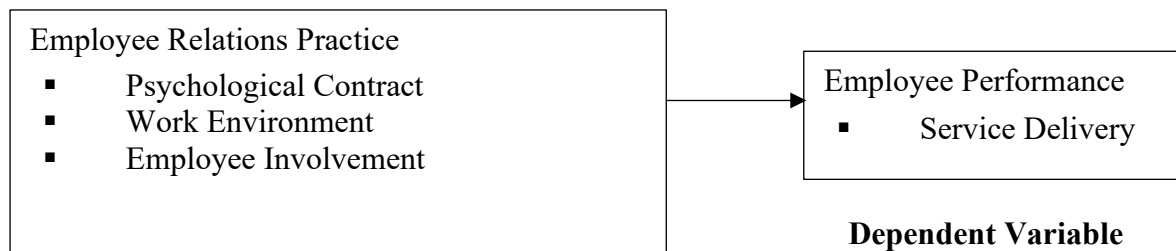
H₀: Employee Relations Practice has no significant effect on Employee Performance in City County Governments in Kenya.

2. LITERATURE REVIEW

2.1 Theoretical Review

The Employee Relations Practice are grounded in Social Exchange Theory, which suggests that when employees perceive organizational support, fairness, positive treatment from management, they are likely to reciprocate through improved performance, commitment, and positive work behaviour. Effective Employee Relations Practice therefore enhances employee morale, reduce workplace conflicts and improve organizational efficiency. Social Exchange Theory explains relationships between individuals and organizations based on reciprocal exchanges of benefits, trust, and mutual obligations. George Homans developed this theory in 1958, and later in 1964, Peter Blau expanded it. Social Exchange Theory suggests that individuals tend to maintain relationships that provide valued rewards and minimize costs. In the workplace, employees develop positive attitudes and behaviours when they perceive that the organization treats them fairly, supports their wellbeing, and values their contributions. In relation to Employee Relations Practices, Social Exchange Theory explains how positive interactions between employers and employees influence employee attitudes and performance. Employee Relations Practices such as effective communication, employee participation in decision-making, fair disciplinary procedures, grievance handling, recognition, welfare programs, and conflict resolution create a sense of trust and organizational support among employees. When employees perceive fairness, respect, and support from management, they are likely to reciprocate through increased commitment, loyalty, cooperation, and improved job performance. The theory further suggests that supportive Employee Relations encourage employees to develop positive work behaviours such as organizational citizenship, teamwork, engagement, and reduced workplace conflict. Conversely, poor employment relationship practices such as unfair treatment, poor communication, discrimination, or lack of employee support may lead to dissatisfaction, absenteeism, low morale, and poor performance. Therefore, organizations that invest in strong Employee Relations Practices are more likely to experience higher employee motivation, retention, productivity, and organizational effectiveness. Social Exchange Theory is widely applied in human resource management studies to explain the relationship between HRM practices and employee outcomes. It provides a useful framework for understanding how Employee Relations Practices influence employee performance by emphasizing reciprocity, mutual trust, and long-term employer–employee relationships. Critics argue that Social Exchange Theory simplifies human motivation by emphasizing rational calculation and neglecting emotional or cultural drivers. To address this, scholars such as Edward J. Lawler proposed the Affective Theory of Social Exchange, integrating emotional attachment and group cohesion into exchange dynamics. Contemporary research extends Social Exchange Theory to digital workplaces, virtual collaboration, and AI-mediated interactions.

2.2 Conceptual Framework



2.3 Empirical Review

Recent empirical studies indicate that Employee Relations Practices significantly influence employee performance through psychological contracts, supportive work environments, and employee involvement practices. Organizations that maintain positive employer–employee relationships tend to experience improved employee commitment, motivation, engagement, and productivity. Contemporary studies grounded in Social Exchange Theory emphasize that employees reciprocate to favourable organizational treatment through improved performance and organizational citizenship behaviour.

2.3.1 Psychological Contract and Employee Performance

The psychological contract refers to employees' perceptions of mutual obligations and expectations between themselves and their employers. Recent empirical studies demonstrate that fulfilment of the psychological contract positively influences employee engagement, job satisfaction, and work performance. A study by Rogozińska-Pawelczyk and Gadomska-Lila (2022), examined the relationship between the fulfilment of the psychological contract and performance of 402 HR professionals in Poland. The study found that the fulfilment of relational and transactional psychological contracts significantly improved employee and organizational performance. Employees who perceived that the organization fulfilled their expectations demonstrated higher commitment and improved job performance. The psychological contract is an increasingly relevant aspect of the workplace relationships and wider human behaviour as it interprets the fulfilment and non-fulfilment of organizational relationships in terms of mutual obligations, expectations and promises ((Bagga, 2019). The employment relationship embodies an uneven balance of power and in terms of a psychological contract, a two-way exchange of perceived promises and obligations between employees and their employer (Cole & Kelly, 2019). Similarly, Yu, Yang, Zhao, Liu, Wang, D'Agostino and Russo (2022), investigated psychological contract breach and employee performance in China. The study established that psychological contract breach negatively affected employee job performance through increased burnout. Employees who perceived unfulfilled employer obligations reported reduced motivation, engagement, and productivity.

Ngobeni, Saurombe, and Joseph (2022), examined the influence of the psychological contract on employee engagement in a South African bank. The findings revealed that the fulfilment of the psychological contract positively influenced employee engagement, teamwork, performance management, and quality of the outcomes. The study concluded that organizations

that address employee expectations and provide supportive employment relationships improve employee performance and organizational effectiveness. Studies have identified several factors that increase the likelihood of breach or violation and Gabrielsen (2021) categorized them into organizational factors and factors related to the individual. Organization factors include among others impact and frequency of change, personality disposition, individual resilience and employee self-reliance. Breach responses may occur in the form of reduced loyalty, commitment and organizational citizenship behaviour. These typically increase negative tension in the work environment. According to Hicks and Monroy-Paz (2015), violations of the psychological contracts often elicit emotional reactions and can lead to employee resignation. The study intimates that understanding the preconceived notions and other intrinsic expectations found in employee's psychological contracts could be key to more engaged workers, higher productivity and lower turnover.

Bagga (2019) maintains that when the employees perceive the activities of the organization as being unjust or immoral, this damages the organization's public reputation and brand image. The scholar further asserts that at the heart of the psychological contract is a philosophy, not a process, a tool or a formula. Psychological contracts sets the dynamics for the employment relationship and defines the detailed practicality of the work. He further points out that the perceptions that a psychological contract breach may arise shortly after the employee joins the company or even after years of satisfactory service. A breach of psychological contract occurs when the employee or employer believes that the other party has failed to meet obligations within the psychological contract. Negative affective reaction to a breach would be feelings of bitterness, anger, resentment or outrage (Gabrielsen, 2021). Employees who maintain a satisfied psychological contract are more productive in the performance of their jobs, work more efficiently, and have a higher quality yield and consequently, the organisation achieves outstanding performance (Martinez-Leon, 2012). Employee feelings and attitude strongly influence how they see themselves and their relationship with the employer and their behaviour towards the employer. Psychological contracts help leaders understand better how to align their people's needs with those of the organization. A further by Wonda, Engidaw, Ning and Kead (2024), found that fulfilment of the psychological contract significantly enhanced employee work engagement among government sector employees. The study emphasized that organizations should effectively manage employee expectations through fair treatment, communication, and supportive management practices in order to improve employee performance. Organizations that establish a strong psychological contract, maintain a positive work environment, and promote employee involvement experience significant benefits in terms of employee performance, organizational commitment, productivity, and overall organizational effectiveness. These factors create supportive employment relationships that enhance employee motivation, trust, and engagement while reducing negative workplace outcomes such as absenteeism, turnover, and conflict. A Psychological Contract refers to the unwritten expectations and mutual obligations between employers and employees regarding workplace relationships, support, fairness, career growth, and organizational commitment.

Gabrielsen (2021) opines that the last few years have seen massive change in functions at workplaces for employees across the globe especially with the outbreak of Corona virus pandemic (Covid-19). Major changes were implemented in the everyday routines of people overnight and the concept of working from home became stable in many employees' lives and various studies have already initiated investigations into the implications of this (Kramer & Kramer, 2020; Zang, Wang, Rauch & Wei, 2020). According to Rousseau and Baruch (2019), employees develop positive attitudes and behaviours when organizations fulfil their part of the psychological obligations such as fair treatment, recognition, career development, and job security. When the employer fulfils the psychological contract, employees are more likely to demonstrate loyalty, commitment, trust, and high performance. Recent studies indicate that organizations with strong psychological contracts experience improved employee engagement and reduced turnover intentions. A study by Griep, Vantilborgh, and Jones (2020), found that fulfilling the psychological contracts positively influences employee wellbeing, organizational commitment, and job performance while reducing emotional exhaustion and workplace deviance. Employees who perceive organizational support are more likely to reciprocate through improved productivity and positive work behaviour.

2.3.2 Work Environment and Employee Performance

The physical environment of the workplace is the location and the surrounding area with tangible assets in the work area such as ventilation, noise levels, quality of air in the workplace, parking lots, tangible perks, for example lunch, tea and coffee, building of offices, set up of the office etc., (Mathew, 2015). Work environment factors include social support from supervisors and workmates, equipment availability, consequences for errors, feedback from managers, organizational constraints and opportunities to practice the learned behaviours on the job (Arabi, 2020). Bashir, Amir, Jawaad and Hasan (2020) established that workplace conditions have a positive influence on job performance through increase in the satisfaction of employees and they become productive and efficient. A good work environment is essential for guaranteeing employee performance and avoiding excessive stress, which can negatively affect job performance (Shammout, 2021). Majau and Wanjohi (2019) agree that the working conditions reflect the work environment and everything that affects the workforce in an organization. Bashir *et al*, (2020) argue that there is need for employers to understand that creating a good working environment alone cannot ensure a high level of productivity unless the employee also experiences a high level of motivation. Healthy work conditions lead to high levels of job satisfaction and mediate the positive relationship of work conditions over job performance. Shammout (2021) contends that several aspects of work environment have a role to play in job satisfaction and employee performance. Exceptional employee performance leads to exceptional organization performance. Thuo (2018) noted that management must strive to provide conducive office and workplace conditions for employees to be productive. A clean, spacious, well-lighted and ventilated working space with comfortable furniture and modern working machines for achievement of faster and quality work performance. The author further argues that workplace relations are the most effective in creating an enabling and conducive working place. Ismael, Foboy, Bakar, Nor and Rosnan (2015) in their findings from earlier studies have revealed that a supportive work environment would promote trainee's self-

efficacy, motivation and the transfer of learned knowledge and skills. Na-nan, Chaiprasit and Pukkeeree (2017) points out that the organization offers support based on the organizational culture, management system and policy. Thus, a supportive organization provides its employees with opportunities for personal development and knowledge/skills application. Majau and Wanjohi (2019) asserts that adequate office lighting, access to natural lighting and an acoustic environment are some of the workplace features employees value. According to Kwon, Kim and Kim (2021), poor employment connection, on the other hand, might result in reduced job satisfaction, decreased motivation, and higher turnover rates, resulting in lower performance levels and diminished organizational effectiveness. The level of trust between the employer and employee is one aspect that might influence the work relationship. Trust is an essential component of any relationship, including the workplace.

In their study, Rizvi, Shahzad, Hussein and Akram (2021) demonstrate the significance of the employment relationship. By establishing an understanding between employee and employers, workers are more likely to feel valued and supported, leading to higher levels of engagement, job satisfaction, and performance. Employers may therefore foster trust by being open, communicating efficiently, and encouraging employee feedback and involvement. The degree of autonomy and control employees have over their work is another aspect that might have an impact on the employment relationship. Employees with a high level of autonomy are more likely to feel empowered and motivated, which leads to higher job satisfaction and performance. Employers can provide autonomy to their employees by allowing them to make decisions and take responsibility of their work, as well as by offering opportunities for professional development and progress (Rizvi *et al*, 2021). This reduces employee turnover, reduces accidents in the workplace and increases the productivity of the staff. Bad working environment diminishes productivity. Armstrong, (2020) perceives involvement and participation as the two elements of employee voice, where involvement is the process through which management allows employees to discuss with them issues affecting them while participation is about employees playing a greater role in the decision-making process by influencing management decisions and contributing to the improvement of organizational performance.

Nyaencha (2014) refers to employee involvement and participation as major methods used to effect employee voice in the form of social partnerships to the employment relationship. According to Nyaencha (2014), participation enables acceptance of decisions by the members of the group who may be general workers and managers. Marchington *et al*, (2016) suggests that the use of employee involvement and participation provides management with some legitimacy for its activities as workers put forward their ideas before decision making. Nyaencha (2014) observes that employee involvement and participation process is an addition to employee rights and trade union duties and does not prejudice the status quo as this may impair the implementation process. Collective bargaining provides the employees with a say in decision-making especially in unionised organizations (Cole & Kelly, 2019). The work environment refers to physical, social, and psychological workplace conditions that influence employee wellbeing and productivity. Recent empirical evidence demonstrates that supportive work environments significantly enhance employee performance, job satisfaction, and

organizational commitment. Ngobeni, Saurombe and Joseph (2022) established that flexible work arrangements, teamwork, leadership support, occupational health and safety, and organizational culture positively influenced employee engagement and performance within the banking sector in South Africa. The study emphasized that a conducive work environment enhances employee morale, motivation, and productivity. A study by Rodwell and Johnson (2022), examined nurses' performance behaviours in relation to psychological contracts, organizational justice, and engagement. The findings showed that supportive workplace environments, organizational justice, and employee engagement positively influenced employee performance behaviours and reduced psychological distress. Studies on remote and flexible working environments have demonstrated that workplace communication, trust, collaboration, and employee wellbeing significantly influence performance outcomes. Yang, Holtz, Jaffe, Suri, Sinha, Weston, Joyce, Shah, Sherman, Hecht and Teevan (2022) in their study on remote-first working environments found that supportive communication systems and strong workplace relationships improved teamwork and employee productivity despite challenges associated with remote work arrangements.

A good work environment also contributes significantly to organizational success. The work environment includes physical working conditions, workplace safety, communication systems, organizational culture, leadership support, and interpersonal relationships. A positive work environment improves employee morale, job satisfaction, collaboration, and productivity. The by Raziq and Maulabakhsh (2021) established that supportive work environments positively influence employee motivation, efficiency, and organizational commitment. Employees working in healthy and supportive environments are more likely to experience reduced stress levels, improved concentration, and increased productivity.

2.3.3 Employee Involvement and Employee Performance

Employee involvement refers to organizational practices that encourage employees to participate in decision-making, problem solving, goal setting, and organizational improvement processes. Empirical studies indicate that employee involvement enhances employee commitment, ownership, and job performance through improvement of quality and quantity of work, boosting employee-employer relationships, improves quality of decisions made, increases job satisfaction and eliminates waste (Ambani, 2016). The study concluded that enabling employees to participate and be involved in matters that affect their jobs increases job performance and the overall organization performance. Employee participation and empowerment programs and the use of self-managing teams have a direct and statistically significant correlation to the managerial perception of the organizational performance (Sofijanovna and Zabijakin-Chatleska, 2013). According to Ambani (2016) organizations should involve employees more in setting goals, hold employees accountable for their activities, allow employees to be innovative and creative to enable enhancement of processes and productivity. Sofijanovna *et al*, (2013) concurs with this observation and further suggests that companies adopt employee involvement programs in order to enhance performance, growth and competitiveness on the regional and global market. In summary, providing people with an opportunity to contribute is about creating a work environment that gives people a voice by encouraging them to have their say and emphasizes it as a core value of the

organization that management at all levels must be prepared to listen and respond to any contributions their people make (Armstrong, 2020). Yunus and Aerni (2022) examined the role of employee involvement in the relationship between psychological contracts and employee job performance. The study found that employee involvement strengthened employee trust, commitment, and job performance by improving communication and organizational participation. Further, recent multilevel research by Lauhié, Tekleab, and Rousseau (2023) revealed that fulfilling the psychological contract had a positive influence on individual and team outcomes through enhanced employee participation, collaboration, and organizational commitment. It was evident that employees who experienced supportive team relationships and involvement in organizational activities demonstrated improved work attitudes and performance outcomes. Organizations that encourage employee involvement in decision-making, problem-solving, and organizational activities also achieve substantial benefits. Employee involvement enhances employee ownership, teamwork, innovation, and commitment because employees feel valued and respected by management. According to Social Exchange Theory, employees reciprocate organizational trust and involvement opportunities through improved performance and positive workplace behaviour. A recent study by Kim and Fernandez (2022), found that employee participation in organizational decision-making positively affects employee motivation, engagement, job satisfaction, and organizational performance. The study concluded that participatory management practices improve communication, employee trust, and innovation within organizations. The combination of a fulfilled psychological contract, supportive work environments, and employee involvement creates synergistic organizational benefits. Employees are more likely to feel psychologically safe, motivated, and committed to organizational objectives when they experience fairness, support, and participation opportunities.

Karatepe, Rezapouraghdam, and Hassannia (2021), established that supportive work environments combined with employee involvement and organizational support significantly improve employee resilience, engagement, and job performance. The scholars concluded that organizations that invest in positive employment relationships achieve higher organizational effectiveness and long-term sustainability. Similarly, a study by Rubel, Kee, Daghriri and Rimi (2023) found that high-commitment HR practices including employee involvement; supportive supervision, trust, and employee development positively influence employee performance, organizational citizenship behaviour, and organizational commitment.

3. METHODOLOGY

The study is a cross-sectional survey research design of a descriptive nature, using stratified simple random sampling technique. The target population was the four (4) City County Governments with the target group being the 434 management employees across the top, middle and lower management levels in the City County Governments. The study sampled 261 respondents for the study by using the Yamane (1967) formula for calculation. Self-administered questionnaires collected primary data, while obtaining secondary data from all related documents. The study used both descriptive and inferential statistics for data analysis. T-statistics at 95% level of confidence, Pearson Moment Correlation with $p\text{-value} < 0.05$ and

Analysis of Variance (ANOVA) through F-test tested the hypothesis. Tables and graphs present the findings of this study.

4. RESULTS AND DISCUSSION

The response rate is as shown in **Table 4.1** below.

Table 4.1: Response Rate

Response	Frequency	Percent (%)
Returned	201	76.92
Unreturned	60	23.08
Total	261	100

Out of the 261 questionnaires distributed, 201 were correctly completed and returned, yielding a response rate of 76.92%. A response rate above 70% is satisfactory for statistical analysis and enhances the credibility of research findings (Njenga & Wambua, 2021). According to Karanja and Mutiso (2022), a response rate of 50% is acceptable for data analysis and publication, 60% is good, while rates above 70% are very good. In view of these ratings, the 76.92% response rate achieved in this study is excellent and adequate for subsequent data analysis.

4.1 Descriptive Statistics of the Study Variables

The analysis involved computing frequency distributions, mean scores, and standard deviations to examine the extent to which respondents agreed with specific statements under each construct. A five-point Likert scale was used, with response options ranging from 1= Strongly Disagree, 2= Disagree, 3= Not Sure, 4= Agree and 5= Strongly Agree. The study made the conclusions on the Likert responses by combining 1 and 2 to imply disagreement, 3 to imply neutral decision, and the combination of 4 and 5 to imply agreement. For interpretation purposes, mean score range of 4.21 – 5.00 indicates a very positive response, 3.41 – 4.20 a positive response, 2.61 – 3.40 is a moderate response, 1.81 – 2.60 is a negative response while 1.00 – 1.80 is a very negative response. A mean score of 3.5 and above interprets as an agreement with the statements in this study. The two measures of central tendency, the mean and standard deviation, interpret the research results while the percentages indicate the frequency of each Likert's score under each item. High mean score is a positive indicator and the closer a score is to five on the 5point Likert scale the more it is an indication of an agreement or positively skewed results. A high standard deviation indicates the data points in a set are widely spread out from the mean (average). This suggests a lot of variability or dispersion within the data an indication that data is less consistent and more spread out. Low standard deviation indicates that the data points cluster closely around the mean suggesting less variability. The mean is the most common measure of central tendency while standard deviation is the most widely used and regarded a very satisfactory in the measure of dispersion in research studies (Cooper & Schindler, 2021). The study used tables and graphs to present the results.

4.2 Descriptive Statistics for Employee Relations Practice**Table 4.2: Descriptive Statistics - Employee Relations Practice**

Indicators	1	2	3	4	5	Mean	S D
My expectations as an employee have been met and my obligations towards my employer are clear	1%	1%	11%	49%	38%	4.24	0.73
I expect to get feedback on my performance and opportunities for career development	4%	11%	14%	37%	33%	3.84	1.13
I feel obliged to work extra hours if needed to complete a task	1%	7%	7%	41%	43%	4.18	0.93
Our work environment in this county is enabling, supportive and inspirational	2%	10%	10%	35%	43%	4.06	1.06
My workplace provides an undisturbed environment without noise and has good lighting	1%	9%	12%	36%	43%	4.12	0.97
A spacious office, enough lighting and ventilation enables me to perform better at my job	1%	7%	10%	39%	43%	4.15	0.95
All employees feel part of the team and participate in setting performance targets	2%	7%	13%	34%	43%	4.09	1.02
I exercise a degree of autonomy and control over my work in my department	3%	13%	14%	36%	35%	3.87	1.11
Employees are involved in decision-making on issues concerning their welfare and their input is valued	2%	8%	12%	34%	43%	4.09	1.03
Average						4.07	0.99

The analysis is as presented in table 4.2. From the table, 87% of the respondents indicated that their expectations as employees had been met and their obligations to the employer were clear (mean = 4.24 $\approx$ 4, SD = 0.73), suggesting strong mutual understanding and clarity in employer-employee relationships. In addition, 70% of the respondents expected feedback on their performance and career development opportunities (mean = 3.84 $\approx$ 4, SD = 1.13), indicating a moderately positive perception of communication and growth prospects within the county. A significant 84% of the respondents reported that they felt obliged to work extra hours if necessary to complete a task (mean = 4.18 $\approx$ 4, SD = 0.93), highlighting a strong sense of

commitment and organizational citizenship behavior. Similarly, 78% of the respondents agreed that the county government provides a supportive and inspirational work environment (mean = $4.06 \approx 4$, SD = 1.06), while 79% agreed that their workplace is undisturbed, well lit, and conducive for work (mean = $4.12 \approx 4$, SD = 0.97). Moreover, 82% of the respondents acknowledged that a spacious office with adequate lighting and ventilation contributes to improved job performance (mean = $4.15 \approx 4$, SD = 0.95), highlighting the importance of physical workplace conditions in enhancing employee output. In addition, 77% of the respondents agreed that employees are considered part of a team and participate in setting performance targets (mean = $4.09 \approx 4$, SD = 1.02), suggesting inclusiveness and shared responsibility in goal setting. Furthermore, 71% of the respondents reported having a degree of autonomy and control over their work (mean = $3.87 \approx 4$, SD = 1.11), while 77% indicated that they are involved in decision-making on welfare issues and their input is valued (mean = $4.09 \approx 4$, SD = 1.03). The overall average mean score across the items was 4.07 with a standard deviation of 0.99, indicating that most respondents agreed that Employee Relations Practices in the county are effectively enhancing employee experience and workplace culture.

These results concur with the study findings by Wafula and Mburugu (2021), who found that clear role expectations, employee involvement, and supportive environments significantly contribute to employee retention and productivity in City County Governments in Kenya. Similarly, Njeru and Otieno (2022) argue that when counties cultivate transparent and participatory cultures, employees develop stronger organizational commitment and performance outcomes.



Figure: 4.1 Overall Response for Employee Relations Practice

Figure 4.1 displays remarkably strong support for Employee Relations Practice, with an impressive 69% of respondents expressing positive agreement (34% agree, 35% strongly agree) while only 9% showed disagreement (2% strongly disagree, 7% disagree) and 11% were not sure. The detailed findings show a robust average mean of 4.07 across all Employee

Relations Practice indicators, demonstrating that the City County Governments have successfully fostered strong employer-employee relationships. The data reveals outstanding performance in mutual expectations and obligations, with 87% of respondents confirming clarity in their roles and responsibilities, and exceptional employee commitment evidenced by 84% willing to work extra hours when necessary. The City County Government's strength in creating conducive work environments is highlighted by high agreement rates on physical workplace conditions (82% acknowledging the impact of adequate facilities on performance) and team inclusiveness (77% participating in target setting and decision-making processes). While there's moderate room for improvement in career development feedback, (70% agreement), the consistently low standard deviation of 0.99 indicates strong consensus among employees, that the City County Governments have established a comprehensive employee relations framework. This framework effectively balances clear expectations, supportive environments, employee autonomy, and participatory decision-making, ultimately creating a workplace culture that enhances both employee satisfaction and organizational commitment. A positive employment relationship fosters engagement, trust, and productivity. Most of the City County Governments provide good working conditions, timely pay, and basic tools. However, staff involvement in decision-making varies significantly. While many of the City County Governments HR department described consultative forums and staff committees, most of them lacked clear frameworks for employee engagement.

Table 4.3: Qualitative Descriptive Statistics - Employee Relations Practice

Indicator	% Agree/Strongly Agree	Mean	SD
Informed on departmental decisions	81%	4.05	1.10
Provided necessary work tools	79%	4.07	1.15
Participation in strategy formulation	65%	3.85	1.24
Supportive and secure work environment	76%	4.03	1.14

Qualitative analysis (table 4.3) shows 81% agreed they are aware of decisions affecting their roles, and 79% believed their work environment supports performance. However, only 65% reported actual involvement in decision-making processes. These figures yield a mean of 4.00 (SD = 1.16), suggesting that while most respondents perceive their work environment as positive, there is room for improvement in inclusivity and ownership of organizational processes.

The findings of the study by Sausen and Gichinga (2024) on psychological fulfilment and employee performance, mirrors those of the current study in emphasizing the role of psychological contracts in fostering mutual trust and engagement among employees in enhancing Employee Relations Practice. Kering, Kilika and Njuguna (2020) concur with these findings and argue that poor management leads to poor human resource management practices and results to a negative impact on the overall performance of the organization. The findings

reflect those of Onyango and Juma (2025) that work environment is a major determinant of job satisfaction and employee performance in the City County Governments in Kenya. Njuguna and Minja (2023) argue that shared decision-making allows employees to have control over their jobs and working circumstances where hierarchical managers and their subordinates share decision-making power thus enhancing organizational citizenship behaviour and performance, especially in hierarchical public institutions.

4.3 Descriptive Statistics for Employee Performance

The study sought to establish the Employee Performance in City County Governments in Kenya.

Table 4.4: Descriptive Statistics - Employee Performance

Indicators	1	2	3	4	5	Mean	S D
Employees provide timely service to customers	0%	3%	16%	44%	37%	4.14	0.80
We adhere to the service charter to provide services	0%	1%	11%	49%	38%	4.25	0.69
We have minimal customer complaints in our county	3%	11%	16%	38%	32%	3.86	1.09
Our work culture emphasizes effective service delivery	6%	8%	10%	31%	46%	4.03	1.17
Employees are held accountable for achieving performance goals and meeting customer expectations	3%	9%	37%	37%	14%	3.50	0.96
Employees ensure that quality services are provided to customers	36%	18%	27%	9%	10%	2.39	1.33
We carry out customer satisfaction surveys twice a year	2%	3%	12%	16%	66%	4.41	0.98
Our customer survey feedback is always positive	16%	13%	39%	8%	24%	3.10	1.35
We use the customer survey feedback to improve our services	31%	13%	18%	14%	24%	2.86	1.57
Average						3.62	1.10

The results are as presented in Table 4.4. From the table, 81% of the respondents agreed that employees provide timely services to customers (mean = 4.14 $\approx$ 4, SD = 0.80), indicating a strong commitment to prompt service delivery. Additionally, 87% confirmed adherence to the county's service charter when delivering services (mean = 4.25 $\approx$ 4, SD = 0.69), reflecting a well-established framework for guiding public service standards. A moderate 70% of respondents agreed that customer complaints in the county are minimal (mean = 3.86 $\approx$ 4, SD = 1.09), which suggests relative satisfaction with service quality. Moreover, 77% agreed that

the county's work culture prioritizes effective service delivery (mean = 4.03 $\approx$ 4, SD = 1.17), showing a clear institutional emphasis on performance-driven values. However, only 51% of respondents agreed that employees are consistently held accountable for meeting goals and expectations (mean = 3.50 $\approx$ 4, SD = 0.96), which may imply a need for more robust accountability mechanisms. Notably, the item regarding employee commitment to ensuring high-quality service received a low level of agreement, with only 19% affirming this statement and a mean of 2.39 $\approx$ 2 (SD = 1.33), suggesting a significant gap in quality assurance practices. Encouragingly, 82% of respondents reported that the city county conducts customer satisfaction surveys biannually (mean = 4.41 $\approx$ 4, SD = 0.98), which is critical for evaluating public service effectiveness. Nonetheless, only 32% indicated that the feedback from these surveys is consistently positive (mean = 3.10 $\approx$ 3, SD = 1.35), and an even lower 38% agreed that the feedback is used to improve services (mean = 2.86 $\approx$ 3, SD = 1.57). These results highlight disconnection between customer feedback collection and its application in performance improvement. The overall average mean score across the employee performance indicators was 3.62 with a standard deviation of 1.10. This indicates a moderately positive perception of employee performance within the city county government, with key strengths in timely service and adherence to service standards. However, there are areas that clearly need attention, particularly in quality assurance, accountability, and the effective use of customer feedback.

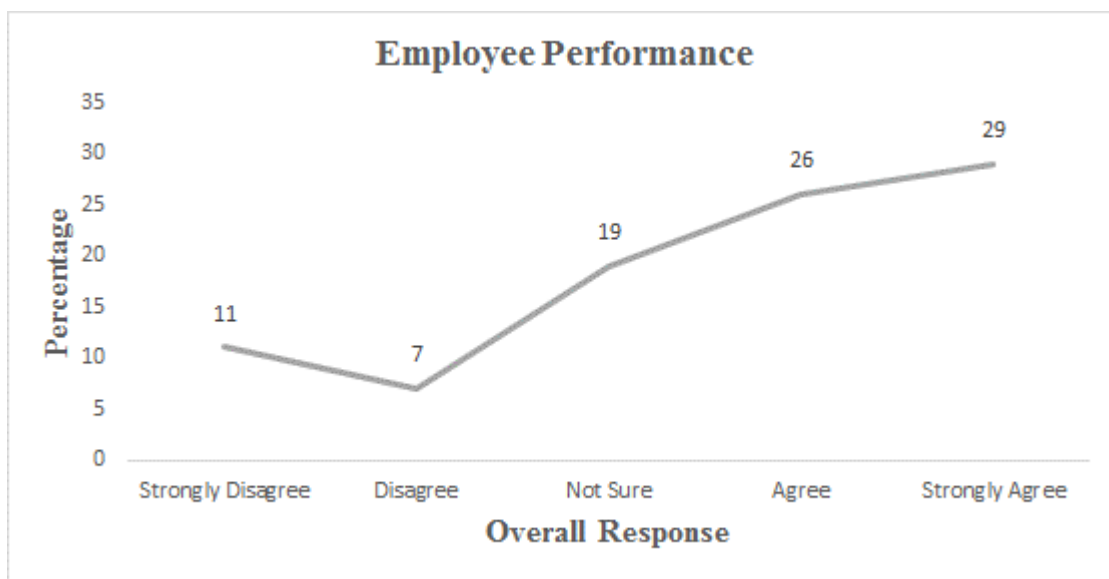


Figure: 4.2 Overall Response for Employee Performance

Figure 4.2 reveals a moderate but positive response toward Employee Performance in City County Governments, with 55% of respondents expressing agreement (26% agree, 29% strongly agree) while 18% showed disagreement (11% strongly disagree, 7% disagree) and 19% were not sure. This measured satisfaction level corresponds directly with the detailed findings showing an average mean of 3.62, indicating that while basic performance standards

are being met, there are significant opportunities for improvement in service delivery excellence. The data demonstrates notable strengths in foundational service elements, with 87% adhering to service charters, 81% providing timely services, and 82% conducting regular customer satisfaction surveys, suggesting a solid institutional framework for performance management. However, critical performance gaps emerge in key areas, particularly in quality assurance where only 19% demonstrated consistent commitment to high-quality service (mean = 2.39), accountability mechanisms with just 51% reporting consistent goal accountability, and of most concern, feedback utilization where only 38% agreed that customer feedback is used for service improvement (mean = 2.86) compared to 32% receiving positive feedback. The standard deviation of 1.10 indicates considerable variation in performance experiences across the City County Governments, highlighting disconnection between the City County Governments' capacity to collect performance data through surveys and service charters and its ability to translate this information into meaningful service improvements. This suggests that while the structural foundations for good performance exist, the execution and continuous improvement mechanisms require substantial strengthening.

Table 4.5: Qualitative Descriptive Statistics - Employee Performance

Indicator	% Agree/Strongly Agree	Mean	SD
Informed on departmental decisions	81%	4.05	1.10
Provided necessary work tools	79%	4.07	1.15
Participation in strategy formulation	65%	3.85	1.24
Supportive and secure work environment	76%	4.03	1.14
Recognition of good performance	72%	3.98	1.12
Merit-based promotion	61%	3.82	1.25
Incentives and benefits offered	68%	3.89	1.21
Compensation matches effort	63%	3.76	1.18

The qualitative findings reveal that employee performance in the City County Governments in Kenya depends on how consistently human resource management practices are applied in daily operations. While most City County Governments in Kenya have formal policies for merit-based recruitment, participatory performance management, continuous capacity building, and employee motivation, practical execution varies. The City County Governments demonstrate good practices such as consultative decision-making forums, structured appraisals, and clear feedback mechanisms that strengthen accountability and ownership. However, others face gaps including weak induction processes, limited opportunities for staff input in strategy, and unclear reward structures, affect morale and output. Despite generally positive work environments with timely pay and provision of basic tools, inconsistencies in recognition, promotions, and involvement in key decisions undermine trust and engagement. Overall, bridging the gap between policy and practice, fostering transparent promotions, and expanding participatory frameworks are vital to enhancing employee performance in City County Governments in Kenya.

These findings are consistent with Shuriye and Wambua (2020), who argue that while many City County Governments in Kenya have invested in service delivery structures; gaps in feedback utilization and employee accountability continue to hinder sustained performance improvements. Similarly, Agmadige, Kirimi and Njeru (2023) argue that the best approach to improve employee performance is by dealing with real-time problems and real-time experiences at work while getting direction and feedback from the management.

4.4 Inferential Statistical Findings

The study used inferential analysis to examine the relationships between the study variables and test the research hypotheses. While descriptive statistics provided a summary of the data, inferential statistics allowed for generalization of the findings from the sample (Management employees) to the wider population (City County Governments in Kenya). This section presents the results of regression models, and simple linear regression analysis. The study objective guided the analysis and employed a 5% significance level of confidence to determine the statistical significance of Employee Relations Practice on Employee Performance in the City County Governments in Kenya. The study sought to investigate the influence of the independent variable (Employee Relations Practice) on the dependent variable (Employee Performance) in City County Governments in Kenya. The findings represent the model of fitness, ANOVA tests and the regression of coefficients.

4.5 Employee Relations Practice and Employee Performance

The objective was to analyse the influence of Employee Relations Practice on Employee Performance in City County Governments in Kenya. The analysis used coefficients of the linear regression model between Employee Relations Practice and Employee Performance in City County Governments in Kenya. The analysis started by testing the equivalent researchable hypothesis of the influence of Employee Relations Practice on Employee Performance in City County Governments in Kenya.

Hypothesis: H_0 : Employee Relations Practice has no significant influence on Employee Performance in City County Governments in Kenya.

Table 4.6: Model Summary - Employee Relations Practice and Employee Performance

Model of fitness			
R	R Square	Adjusted R Square	Std. Error of the Estimate
.678a	0.46	0.457	0.316

a. Dependent Variable: Employee Performance in City County Governments in Kenya

b. Predictors: (Constant), Employee Relations Practice

The regression results presented in table 4.6 indicate a strong and positive influence of Employee Relations Practice on Employee Performance as shown by the correlation coefficient ($R=0.678$). The coefficient of determination ($R^2 = 0.460$) indicates that 46% of the variance in employee performance in the City County Governments in Kenya is attributed to Employee Relations Practice while the remaining 54% of the variance in employee

performance is explained by other factors not included in this model. The Adjusted R Square value of 0.457 confirms that after adjusting for sample size and model complexity, the model still explains 45.7% variation on employee performance, an indication that the model is a good fit and has a powerful explanatory power. The standard error estimate of 0.316 suggests that the prediction errors of the model were relatively small, an implication that the model was reliable in predicting Employee Performance. This means that almost half of the improvements in Employee Performance in the City County Governments in Kenya link directly to how they manage their employee relations.

Table 4.7: Analysis of Variance – Employee Relations Practice and Employee Performance

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Regression	15.149	1	15.149	151.472	.000b
Residual	17.801	200	0.1		
Total	32.95	201			

a. Dependent Variable: Employee Performance in City County Governments in Kenya

b. Predictors: (Constant), Employee Relations Practice

The ANOVA findings as presented in Table 4.7 indicate a regression model that is statistically significant ($F = 151.472$, $p = 0.000$). Since the p-value is well below the threshold of 0.05, we reject the null hypothesis that Employee Relations Practice has no significant influence on Employee Performance in the City County Governments in Kenya. The F-statistic (151.472) is greater than the F-critical value (3.909), confirming that the regression model is a good fit for the data.

Table 4.8: Regression Coefficients – Employee Relations Practice and Employee Performance

Regression of Coefficients					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
(Constant)	0.84	0.264		3.187	0.002
Employee Relations Practice	0.794	0.064	0.678	12.307	0.000

a. Dependent Variable: Employee Performance in City County Governments in Kenya

b. Predictors: (Constant), Employee Relations Practice

The regression coefficients results in Table 4.8 further support these findings. The constant value of 0.84 with a significance value of $p=0.000$ implies that when Employee Relations Practice is held constant at zero, employee performance would remain at 0.84 units. The unstandardized beta coefficient Kenya ($\beta = 0.794$, $p = 0.000$) shows that Employee Relations Practice has a positive and statistically significant influence on Employee Performance in the City County Governments in Kenya. This means that for every unit increase in effective Employee Relations Practice such as clear communication, conflict resolution, fair grievance

handling, and positive industrial relations the Employee Performance of the City County Governments in Kenya increases by 0.794 units, holding other factors constant. The standardized beta coefficient ($\beta = 0.678$, $p=0.000$) further indicates Employee Relations Practice had a strong positive influence on employee performance in the City County Governments in Kenya. The t-value of 12.307 and significance level of $p=0.000$ confirms that the influence was statistically significant. This also confirms that Employee Relations Practice is a major determinant of employee performance in the City County Governments in Kenya. The resulting regression equation is:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \text{ (Employee performance in City County Governments in Kenya} = 0.840 + 0.794 * \text{Employee Relations Practice).}$$

The results suggest that organizations that promote employee relations, effective communication, employee participation, conflict resolution mechanisms, employee welfare and support systems are likely to achieve improved employee morale, commitment, and productivity, efficiency and service delivery outcomes. These findings underscore the importance of strong employee relations in the City County Governments' service delivery. According to Mwangi and Njuguna (2021), positive employee relations foster trust, reduce workplace disputes, and create a conducive environment for productivity. Kamau and Mutua (2022) further argue that counties that prioritize open communication channels and fair conflict resolution mechanisms experience lower absenteeism and higher staff morale, which translate into better public service delivery. Additionally, a healthy employment relationship climate promotes collaboration and teamwork, enabling staff to focus on shared service goals rather than internal conflicts. Wekesa and Chebet (2023) found that Counties with robust Employee Relations Practice structures report improved staff retention, higher motivation, and greater citizen satisfaction with service delivery. Muriithi and Otieno (2024) also note that when County Governments foster inclusive dialogue and fair treatment, they build institutional trust, which is crucial for successful policy implementation and continuity. Good Employee Relations Practice aligns with Kenya's labour policy framework, which advocates for fair labour practices and harmonious employer-employee relations as drivers of public service delivery. Nyaga and Kariuki (2020) contend that poor labour relations can lead to industrial actions and service interruptions, directly undermining the objectives of devolution in Kenya.

4.6 Hypothesis Testing

The acceptance/rejection format is that, if the p value is less than 0.05, the study rejects H_0 but if it is more than 0.05, the H_0 is accepted. The null hypothesis H_0 was that the effect of Employee Relations Practice on Employee Performance in City County Governments in Kenya is not statistically significant. The study rejects the null hypotheses, since all p-values were less than 0.05 and thus, the effect of Employee Relations Practice on Employee Performance in City County Governments in Kenya is positively and statistically significant.

5. SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

The study findings reveal that Employee Relations Practices exist in the City County Governments in Kenya and that there were consultative forums and staff committees but most of them lacked clear frameworks for engaging employees. Findings demonstrate adherence to

service charters an indication of the presence of a solid institutional framework for performance management. There was a disconnection between collection of performance data through customer surveys and service charters and the ability to translate it to meaningful service improvements. The findings indicate that structural foundations for good performance exist but the execution and continuous improvement mechanisms require substantial strengthening. Critical performance gaps emerged in key areas particularly in quality assurance an indication that while the City County Governments met the basic performance standards there is need for significant effort to improvement service delivery. While findings indicate that employees perceive their work environment as positive, there is room for improvement in inclusivity and ownership of organizational effectiveness. City County Governments in Kenya have successfully fostered strong employer-employee relationships. Findings reveal that Employee Relations Practice has a positive and statistically significant influence on Employee Performance in the City County Governments in Kenya. The inferential statistical findings revealed that a unit increase in Employee Relations Practice such as conducive work environment, employee involvement in decision-making and clarity of expectations and obligations, results in an average unit increase of 0.794 in the overall Employee Performance score in the City County Governments in Kenya all other factors being constant. The findings underscore the importance of Employee Relations Practice in effectively enhancing employee performance and workplace culture.

5.1. Conclusion

There is a strong consensus that City County Governments in Kenya have established a comprehensive Employee Relations Practice framework and that it effectively balances clear expectations, supportive work environment, employee autonomy and participatory decision-making. This has ultimately created a workplace culture that enhances both employee performance and service delivery. Based on the discussion of the findings, the study concludes that Employee Relations Practice plays a vital role in influencing employee performance in City County Governments in Kenya. The strong descriptive and inferential statistical results underscore that constructive Employee Relations Practice that focuses on a supportive work environment, clarity in role expectations, and inclusive decision-making enables achievement of high levels of employee performance and service delivery. In conclusion, the regression results make it clear that Employee Relations Practice is a critical factor in enhancing the Employee Performance in City County Governments in Kenya. City County Governments that strengthen communication, build trust, and resolve disputes effectively are more likely to create stable work environments that drive sustainable employee performance and service delivery outcomes.

5.2. Recommendations, Contribution to Theory, Policy and Practice

The study established that Employee Relations Practice has a significant and positive effect on Employee Performance in City County Governments in Kenya. It therefore recommends that City County Governments and policymakers prioritize effective employee relations to support continuous improvement in service delivery. This includes creating conducive and supportive work environments, enhancing employee autonomy, and providing opportunities for employees to participate in decisions affecting their welfare. The study further recommends

addressing structural and managerial challenges to ensure alignment between HRM policy intentions and their implementation in practice. The findings support and strengthen Social Exchange Theory by providing empirical evidence for its theoretical propositions. Practically, the study provides guidance to HR professionals on employee integration and the development of supportive structures that enhance employee performance. The study also contributes to existing knowledge by providing empirical evidence and a reference point for future research.

REFERENCES

- Agmadige, A., Kirimi, E., & Njeru, E. (2023). Relationship between Performance Appraisals Feedback on Employee Performance in Wajir County Government. *Reviewed Journal International of Business Management*, 4 (1), 350 – 363.
- Agola, J. O. (2020). Chinese Built Transport Infrastructure and Demographic Changes in Nairobi Metropolitan Region (2009-2019): A Case Study of Nairobi Southern Bypass, Kenya (*Doctoral Dissertation, University of Nairobi*).
- Aguinis, H. (2019). *Performance Management*. Upper Saddle River, NJ: Pearson Education Inc.
- Ambani, K. M. (2016). Effects of Employee Involvement on Job Performance at the Kenya Medical Research Institute (Centre for Global Health Research), Kisumu, Kenya. *Unpublished dissertation. Nairobi University*.
- Arabi, E. (2020). Training Design Enhancement through Training Evaluation: Effects of Training Transfer. *UNLV Theses, Dissertations, Professional Papers and Capstones: 3983*. <http://doi.org/10.34917/2208-5738>
- Armstrong, M. (2020). *A Handbook of Human Resources Management Practice*, 15th Edition. London: Kogan Page.
- Armstrong, M. & Taylor, S. (2023). *Armstrong's Handbook of Human Resources Management Practice*, 16th Edition. London. Kogan Page.
- Bagga, B. (2019). Research Paper of Psychological Contract. *International Journal of Scientific Development and Research (IJS DR) – ISSN: 2455-2631, August 2019, IJS DR volume 4, Issue 8*.
- Bashir, A., Amir, A., Jawaad, M., & Hasan, T. (2020). Work Conditions and Job Performance: An Indirect conditional effect of Motivation. *Cogent Business & Management* 7:1, 1801961. DOI: 10.1080/23311975.2020.1801961.
- Birech, R., Kosgey, J., & Tirimba, O. (2020). The Influence of Organizational Culture On Employee Performance in the County Governments of Kenya. *International Journal of Economics, Commerce and Management*, 8(3), 42-56.
- Cole, G. A., & Kelley, P. (2019). *Management Theory and Practice*, 8th Edition. Cengage Learning. UK.
- Cooper, D. R., & Schindler, P. S. (2021). *Business Research Methods (14th Edition)*. New Delhi. McGraw-Hill Publishers.
- Council of Governors (2016). *County Performance Management System and Stakeholder Engagement Handbook*. Nairobi. Government Printer.
- Council of Governors (2017). *Performance Management Framework for County Governments*. Nairobi. Government Printer.
- Gabrielsen, S. L. (2021). Psychological Contracts and Change in Organizations. A Systematic Review. *University of Oslo May 2021*.
- Gakure, R. W., Waititu, A. G., & Kihara, A. S. (2021). Human Resource Management Challenges in Devolved Governments in Kenya. *International Journal of Human Resource and Procurement*, 10(1), 45–59.

- Gathogo, C. (2019). Effect of Employee Motivation on Performance of the County Governments in Kenya. *International Journal of Business and Social Science Research*, 9(1), 1-12.
- Giamos, D., Doucet, O., & Lapalme, M.-È. (2025). What is Known About Development-Oriented Performance Management Practices. A Scoping Review. *Human Resource Development Review*, 24(1), 37–69.
- Githinji, P. M., Kinyua, E. N., & Ngugi, K. (2020). Effect of Performance Management on Employee Performance in County Governments in Kenya. *Journal of Economics and Business Management*, 8(2), 1-11.
- Griep, Y., Vantilborgh, T., & Jones, S. K. (2020). The Relationship between Psychological Contract Breach and Employee Outcomes: A Meta-Analysis. *European Journal of Work and Organizational Psychology*, 29(4), 527–540.
- Grote, R. C. (2016). *Performance Appraisal and Management: Concepts, Antecedents, and Consequences*. Routledge.
- Haile, T., Worku, S., & Mekuria, B. (2020). Assessment of Results-Oriented Performance Appraisal Practices in Ethiopia. A Case of Ethio-telecom, Adama Branch. *IJARIE – ISSN (Online) 2395-4396, Vol. 6, Issue 1, 2020*.
- Hicks, M., & Monroy-Paz, J. (2019). Into the Looking Glass: Psychological Contracts in Research Administration: The University of Tampa. *The Journal of Research Administration* (46) 1, 2015.
- Ismail, A., Foboy, N. A., Bakar, R., Nor, N. M., & Rosnan, H. (2015). “Training Motivations As Mediator of the Relationship between Training Administration and Training Transfer”. *Journal Pengurusan*, Vol. 43, pp. 97-106
- Jepkemboi, P. (2020). Effect of Employee Motivation on Job Performance in the County Government of Baringo, Kenya. *International Journal of Business, Humanities and Technology*, 10(3), 1-10.
- Kamau, S., & Mutua, J. (2022). Fair Conflict Resolution and Staff Morale in Kenyan Counties. *International Journal of Labour Studies*, 6(3), 99–114.
- Karanja, M., & Mutiso, J. (2022). The Role of Leadership in Enhancing Service Delivery in County Governments in Kenya. *Journal of African Leadership and Governance*, 4(2), 67–81.
- Karatepe, O. M., Rezapouraghdam, H., & Hassannia, R. (2021). Job Insecurity, Work Engagement and Employee Performance among Hotel Employees. *International Journal of Hospitality Management*, 94, 102868.
- Kariuki, S., & Nyamwange, D. (2020). The Influence of Training and Development on Employee Performance in County Governments in Kenya. *Journal of Human Resources Management*, 8(2), 10-21.
- Kering, V. K., Kilika, J. M., Njuguna, J. W. (2020). “Influence of HRM Processes on the Performance of Selected Manufacturing SMEs in Nairobi City County, Kenya”. *European Journal of Business and Management Research Vol. 5, No. 6, Dec 2020*.
- Kihoro, J., & Kariuki, D. (2018). Effect of Job Satisfaction on Employee Performance in The County Governments of Kenya. *International Journal of Economics, Commerce and Management*, 6(5), 189-204.
- Kilika, J. M., Namusonge, G. S., & Kipkoech, J. K. (2018). Effect of Performance Management on Employee Performance in the County Governments in Kenya. *International Journal of Humanities and Social Science Research*, 6(1), 7-20

- Kim, S., & Fernandez, S. (2022). Employee Empowerment and Employee Outcomes in Public Organizations: Evidence from Public Sector Institutions. *Review of Public Personnel Administration*, 42(2), 312–335.
- Kinyanjui, J. M., & Iravo, M. A. (2020). The Influence of Leadership on Employee Performance in County Governments in Kenya. *International Journal of Economics, Commerce and Management*, 8(2), 35-54.
- Kiprono, P. K., Rotich, A., & Sitienei, A. (2018). Effects of Organizational Culture on Employee Performance in the County Government of Kericho, Kenya. *International Journal of Business and Commerce*, 7(4), 17-32.
- Kisuke, C. S., & Elly, J. S. (2023). The Organizational Performance Management Practices and Employee Productivity in Mombasa County Government, Kenya. PKP UoN Journals, Vol. 6, No. 1 (2020): The African Journal of Business and Management, pp. 26 – 36, uonjournals.uonbi.ac.ke.
- Knies, E., & Leisink, P. L. M. (2018). “People Management in the Public Sector”. doi: 10.1007/978-3-319-57583-4_2 October 2018
- Kramer, A., & Kramer, K. Z. (2020). The Potential Impact of the Covid-19 Pandemic On Occupational Status, Work from Home and Occupational Mobility. *Journal of Vocational Behaviour*, 119, Article 103442. [Doi.org/10.1016/j.jvb.2020.103442](https://doi.org/10.1016/j.jvb.2020.103442).
- Kwon, K. M., Kim, H. R., & Kim, H. J. (2021). Linking the Quality of Employment Relationship to Job Satisfaction and Turnover Intention: The Mediating Role of Psychological Well-Being. *Sustainability*, 13(8), 4362. <https://doi.org/10.3390/su13084362>
- Laulié, L., Tekleab, A. G., & Rousseau, D. M. (2023). Psychological Contracts at Different Levels: The Cross-Level and Comparative Multilevel Effects of Team Psychological Contract Fulfilment. *Group & Organization Management*, 50(3).
- Majau, D. K., & Wanjohi, J. (2019). Factors Influencing Employee Job Performance in County Government Departmental Projects. A Case of Meru County Government, Kenya. *International Academic Journal of Information Sciences and Project Management*, 3 (4), 518-543.
- Marchington, M., Wilkinson, A., Donnelly, R., & Kynighou, A. (2016). *Human Resources Management at Work*. London. Chartered Institute of Personnel Management (CIPD).
- Martinez-Leon, I. M. (2012). The Importance of Psychological Contracts in Human Resources Management within the New Global Economy. *Technical University of Cartagena, Spain. IGI Global Publisher, USA. Vol. 1. ISBN 978-1-4666-1602-8*.
- Marube, N., Ndung'u, L., Njoroge, R., Madaraka, N., & Omwega, A. (2023). Influence of Performance Management on Public Service Delivery (A Case Study of County Government of Mombasa. *IOSR International Journal of Business and Management (IOSR-JBM)*, 25 (7), 10 – 16, e-ISSN: 2278-487X.
- Makori, G. B., & Kipkebut, D. J. (2026). Effect of Selected Human Resource Management Practices on Employee Engagement among Employees in Nakuru County, Kenya. *International Journal of Research and Innovation in Social Science (IJRISS)*, Volume X, Issue VI. ISSN No. 2454-6186. DOI: 10.47772/IJRISS.
- Mathew, C. (2015). Impact of Work Environment on Performance of Employees in Manufacturing Sectors in India. *International Journal of Science and Research (IJSR)*.
- Miheso, M. N., Kibera, F. N., & Ndede, F. K. (2021). The Influence of Leadership Styles On Employee Performance in the County Government of Kisumu, Kenya. *International*

- Journal of Management and Commerce Innovations*, 9(1), 44-54.
- Muathe, S., & Wambua, P. (2022). Human Resource Management Practices and Employee Performance in Kenyan County Governments. *International Journal of Research in Business and Social Science*, 11(4), 287–298.
- Munywoki, J. N., & Kangure, F. (2023). Influence of Performance Management on Employee Productivity in County Governments of Kenya. A Case Study of Nairobi City County Government. *IOSR Journal of Business and Management (IOSR-JBM) Volume 25, Issue 4, ser. VI (April 2023), pp 55-87 e-ISSN: 2278-487x. DOI: 10.9790/487x-2504065587.*
- Muriithi, J., & Otieno, D. (2024). Institutional Trust through Inclusive Dialogue In Devolved Governments. *Kenya Journal of Organizational Studies*, 7(2), 41–56.
- Mwandihi, N. K., Iravo, A. M., & Sakwa, M. M. (2018). Influence of Result-Oriented Employee Appraisal on Performance of Public Servants in Vihiga County, Kenya. *Journal of Human Resources and Leadership*, Vol. 2(3) pp. 27-44.
- Mwangi, T., & Njuguna, M. (2021). Trust-based Employment Relations in County Service Delivery. *Journal of Decentralized Governance*, 3(3), 37–51.
- Na-Nan, K., Chaiprasit, K., & Pukkeeree, P. (2017). “Influence of Workplace Environment Factors on Employee Training Transfer”. *Industrial and Commercial Training*, Vol. 49, No. 6, pp. 303-314
- Nduta, R. W., & Wanjira, J. (2019). E-banking Strategy and Performance of Commercial Banks in Kenya. *International Journal of Current Aspects*, 3(V), 147-165.
- Ngobeni, D. A., Saurombe, M. D., & Joseph, R. M. (2022). The Influence of the Psychological Contract on Employee Engagement in a South African Bank. *Frontiers in Psychology*, 13, 958127.
- Njenga, S., & Wambua, P. (2021). Response Rates and Data Quality in Public Policy Research. *African Journal of Policy and Evaluation*, 3(2), 19–34.
- Njeru, H., & Otieno, L. (2022). Effects of Participatory Governance on Public Service Delivery in Counties. *Kenya Journal of Governance and Policy*, 4(1), 89–105.
- Njuguna, M. M., & Minja, D. (2023). Effective Employee Participation and Service Delivery in Embu County Government, Kenya. *International Academic Journal of Arts and Humanities (IAJAH) ISSN 2520 – 4688 Vol. 1 Issue 3 pp. 393 – 408*
- Nyaga, T., & Kariuki, E. (2020). Labour Relations and Devolution Efficiency in Kenya. *Journal of Industrial and Public Sector Relations*, 4(4), 63–78.
- Nyaencha, E. O. (2014). *Employee Relations. Principles, Processes and Practice. Professional Excellence Series*. Nairobi. Focus Publishers Limited.
- Nzulwa, J., & Muturi, W. (2021). Employee Relations Practices and Service Delivery in Devolved Governments in Kenya. *African Journal of Emerging Issues*, 3(8), 112–126.
- Ombui, K., Karanja, J., & Kimani, D. (2021). Effect of Performance Management Systems On Employee Performance in the County Governments of Kenya. *International Journal of Research in Business Studies and Management*, 8(4), 16-28.
- Onduso, E., & Kimathi, R. (2022). Welfare Practices and Employee Satisfaction in Devolved Governments in Kenya. *County Governance Review*, 7(3), 33–50.

- Onyango, C. A., & Juma, D. (2025). Employee Engagement and Performance in the County Government of Siaya. *Human Resource and Leadership Journal Vol. 10 (2)* 2607 1 15
- Onyango, J. (2024). Perception of the Effectiveness of Employee Relationship Management Practices. *University of Nairobi Repository*.
- Ouma, P. O., Abere, M. O., & Kituyi, L. (2020). The Influence of Training and Development on Employee Performance in the County Government of Kakamega, Kenya. *International Journal of Academic Research in Business and Social Sciences*, 10(8), 470-486.
- Raziq, A., & Maulabakhsh, R. (2021). Impact of Working Environment on Job Satisfaction. *Procedia Economics and Finance*, 23, 717–725.
- Republic of Kenya. (2010). *Constitution of Kenya, 2010*. Government Printer.
- Rizvi, S. A. H., Shahzad, M. M., Hussain, M., & Akram, U. (2021). Does Employer Branding Affect Employees' Job Satisfaction and Organizational Commitment? A Study on The Mediating Role of Perceived Employment Relationship. *Journal of Hospitality and Tourism Management*, 47, 202-211. <https://doi.org/10.1016/j.jhtm.2020.09.005>
- Rodwell, J., & Johnson, D. (2022). The State of the Psychological Contract, Justice and Engagement Drive Nurses' Performance Behaviours. *International Journal of Environmental Research and Public Health*, 19(20), 13505.
- Rogozińska-Pawelczyk, A., & Gadomska-Lila, K. (2022). The Mediating Role of Organisational Identification between Psychological Contract and Work Results: An Individual Level Investigation. *International Journal of Environmental Research and Public Health*, 19(9), 5404.
- Rousseau, D. M. (2014). *Psychological contracts in organizations: Understanding written and unwritten agreements*. SAGE Publications.
- Rubel, M. R. B., Kee, D. M. H., Daghriri, Y. Q., & Rimi, N. N. (2023). Does Perceived Organizational Support Matter. The Effect of High Commitment Performance Management on Supervisor's Performance. *Frontiers in Psychology. Organizational Psychology, Volume 13 – 2022*/<https://doi.org/10.3389/fpsyg.2022.837481>.
- Sausen, A. L., & Gichinga, L. (2024). Psychological Contract Fulfilment and Employee Performance in the Kenya Police Service in Nairobi County. *The Strategic Journal of Business and Change Management*, 11 (4), 868 – 888. ISSN 2414 – 8970 (print)
- Shammout, M. (2021). Impact of Work Environment on Employee Performance. *International Research Journal of Modernization in Engineering Technology and Science (Peer-reviewed, Open Access, Fully Referenced International Journal) Volume: 03/issue: 11/November 2021. e-ISSN: 2582-5208*.
- Sharma, R., & A. K. Garg (2019). The Impact of Resources and Capabilities on Firm Performance in India. 299-310 in *Journal of Business Research*.
- Shuriye, H. H., & Wambua, P. P. (2020). Organizational Performance Management Practices and Employee Productivity in Garissa County Government, Kenya. *International Journal of Business Management, Entrepreneurship and Innovation*, 2 (2), 31 – 48
- Sirite, J. K., Ongori, H., & Bosire, D. (2017). Challenges Faced by Devolved Governance in Quality Service Delivery. A Case Study of Turkana Central Sub-County, Turkana County, Kenya. *International Journal of Learning and Development. ISSN 2164 – 4063, 2017 Vol. 7, No. 4*.
- Society of Human Resource Management (SHRM, 2025). Labour and Employee Relations Effectively Managing Workplaces. shrm.org
- Sofijanov, E., & Zabijakin-Chatleska, V. (2013). Employee Involvement and organizational

- Performance: Evidence from the Manufacturing Sector in the Republic of Macedonia. *Trakia Journal of Sciences*, Vol. 11, Suppl. 1, pp. 31-36, 2013. ISSN 1313-3551(online).
- Thujo, D. W. (2018). Workplace Environment and Employees Performance in the Public Sector: A case of Ministry of Lands, Housing and Urban Development in Nairobi City County, Kenya. *Unpublished dissertation. Kenyatta University*.
- Wafula, J., & Mburugu, T. (2021). Workplace Climate and Employee Retention in Counties. *African Review of HR Practices*, 6(3), 44–59.
- Wang, N., Luan, Y. & Ma, R. (2024). Detecting Causal Relationships between Work Motivation and Job Performance; A Meta-analytic Review of Cross-lagged Studies. *Humanities and Social Sciences Communications Journal*, Article Number: 595(2024).
- Wanja, E., Thurair, S., & Kubason, T. S. (2024). Ethical Practice and Human Resource Performance in Nairobi City County Government, Kenya. *African Journal of Science, Technology and Social Sciences (AJSTSS)*, 2(2), 198 – 204. DOI: 10.58506/ajstss.v2i2.202
- Wekesa, P., & Chebet, J. (2023). Staff Retention Strategies in Devolved Units. *Kenyan Journal of Organizational Behavior*, 4(2), 44–59.
- Wonda, T. A., Engidaw, A. E., Ning, J., & Kead, M. A. (2024). Does Psychological Contract Fulfilment Determine Employees' Work Engagement? Empirical Evidence from Government Sector Employees. *Cogent Business & Management*, 11(1).
- Yamane, T. (1967). *Statistics: An Introductory Analysis* (2nd Ed.). New York: Harper and Row.
- Yang, L., Holtz, D., Jaffe, S., Suri, S., Sinha, S., Weston, J., Joyce, C., Shah, N., Sherman, K., Hecht, B., & Teevan, J. (2022). The Effects of Remote Work on Collaboration among Information Workers. *Nature Human Behaviour*, 6, 43–54. <https://doi.org/10.1038/s41562-021-01196-4>
- Yu, D., Yang, K., Zhao, X., Liu, Y., Wang, S., D'Agostino, M. T., & Russo, G. (2022). Psychological Contract Breach and Job Performance of New Generation of Employees: Considering the Mediating Effect of Job Burnout and the Moderating Effect of Past Breach Experience. *Frontiers in Psychology*, 13, 985604.
- Yunus, W., & Aerni, I. (2022). The Psychological Contract and Employee Job Performance: The Role of Employee Involvement. *Journal of Management Scholarship*, 1(1).
- Zang, S. X., Wang, Y. F., Rauch, A., & Wei, F. (2020). Unprecedented Disruption of Lives and Work: Health, Distress and Life Satisfaction of Working Adults in China, One Month into the Covid-19 Outbreak. *Psychiatry Research*, 288, Article 112958. Doi.org/10.1111/j.1744-6570.2007.00087.x

