

**EFFECT OF SELECTED STRATEGIC HUMAN RESOURCE MANAGEMENT
PRACTICES ON EMPLOYEE PERFORMANCE AT EQUATOR BOTTLERS
LIMITED IN KISUMU**

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**A Research Project Presented to the Institute of Post Graduate Studies of Kabarak
University in Partial Fulfillment of the Requirements for the Award of the Master of
Science in Organization Development (Human Resource Option)**

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DECLARATION

Declaration by the student

This research project is my original work and has not been presented to any other institution. No part of this research should be produced without the author's consent or that of Kabarak University.

Signature

Date

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RECOMMENDATION

To the Institute of Postgraduate Studies:

The research project entitled “**Effect Of Selected Strategic Human Resource Management Practices On Employee Performance at Equator Bottlers Limited**” and written by **Monica Nyansarora Ondari**, presented to the Institute of Postgraduate Studies of Kabarak University. We have reviewed the research project and recommend it in partial fulfilment of the requirement for the reward of the degree of Masters in Business Administration.

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DEDICATION

I thank God for this far He has brought me. I am grateful to my dear parents, Mr Ondari and Ruthline Bochere for their unconditional support, motivation and prayers. My siblings, Hempstone and Billy, thank you for your moral support.

ABSTRACT

With the development of strategy, strategic literature aspect of human resource management in the organisations has been among the most remarkable subjects of research papers. The 21st -century companies are keen on human resources as they are the assets for an organisation. These assets play a significant role in enhancing the performance of a company. As these companies look towards optimising their human resources practices, they evaluate solutions that provide strategic human resource/capital management. This well-developed, people-centred approach to business involves a variety of HR-related processes—such as recruiting, on-boarding, payroll, talent management, and others—working together as one, unified “team” to improve the overall health of the organisation, by building upon the individual strengths of its people. This study sought to investigate the effect of selected Strategic Human Resource Management practices on employee performance at Equator Bottlers Limited. More specifically, the study examined the effect of strategic staffing, strategic training and strategic reward on employee performance in Equator Bottlers Limited. The research anchored on universalistic and contingency theories. The study adopted a case study with descriptive and cross-sectional research design. The target population of this study were all the 124 employees of Equator Bottlers Limited; thus, a census sampling method. Questionnaires were used to collect primary data. The self-administered questionnaire employed the Drop and pick later method. Piloting was done in Rift Valley Bottlers, Eldoret Town, with a sample of 11 employees to ascertain whether the instruments would yield the required data, and to further improve on the data collection instruments. The question Validity and reliability. Descriptive (percentages and means) and inferential (correlation and regression) techniques were used to analyse the collected data with the assistance of the Statistical Package for Social Sciences. The three independent variables that were studied (strategic staffing, strategic training and strategic rewarding) explained a substantial 57% of the employee’s performance in Equator Bottlers Limited as represented by adjusted R^2 (0.577). The results further indicate that strategic reward ($r=.674$, $p=.000$) indicated the highest association to employee performance, followed by strategic training ($r=.459$, $p=.012$) and lastly strategic staffing ($r=.443$, $p=.016$). Multiple linear regression analysis using the beta coefficients on the line of best fit pointed out the decision rule was to reject $H_0: \beta_i = 0$ since the regression coefficients were significantly different from zero and consequently Rejected all the null hypothesis of the study. The study recommends future research to explore these relationships by testing the causal order of employee commitment potentially that could affect perceptions of the system of SHRM practices and superior employees’ performance. Therefore, the causal order needs to be investigated further

Key words: *Strategic Human Resource Management practices, performance, strategic staffing, strategic training strategic rewarding.*

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LIST OF ABBREVIATIONS AND ACRONYMS'

| | |
|------------------|---|
| CEO: | Chief Executive Officer |
| EBL: | Equator Bottlers Limited |
| GDP: | General Development Product |
| HPWSs: | High -Performance Work Systems |
| HRM: | Human Resource Management |
| HR: | Human Resource |
| I-O: | Industrial Organizational |
| NACOSTIL: | National Council for Science and Technology |
| SHRM: | Strategic Human Resource Management |
| SPSS: | Statistical Packages for Social Scientists |

OPERATIONAL DEFINITION OF KEY TERMS

| | |
|--|---|
| Employee Performance | It is the successful completion of tasks by a selected individual or individuals, as set and measured by a supervisor or organisation, to pre-defined acceptable standards while efficiently and effectively utilising available resources within a changing environment (Dessler, 2010). In this study, the term will be used to mean the accountability and dependability, work quality and quantity of a worker in being able to execute his or her job in the organisation with effectiveness and efficiency. |
| Strategic Human Resource Management | It is an approach that defines how the organisation's goals are achieved through people by utilising HR strategies and integrated HR policies and practices. It is integrated vertically with business strategy and horizontally with one another. The strategies define specific aspects of people management, such as resourcing training and development, reward and employee relations (Armstrong, 2009). |
| Strategic Human Resource Management Practices | Strategic human resource management practices are those practices specifically developed implemented and executed based on a deliberate linkage to an organisation's Strategy (Huselid, 2007). These represent the total of the inherent abilities, acquired knowledge and skills as exemplified in the talents and aptitude of its employees (Megginson, 2010). The researcher uses this term to depict the strategic staffing, strategic training and strategic rewarding. |
| Strategic Staffing | The term is construed to mean as the process that addresses hiring, firing and retention implications in achieving strategic and operational plans and goals (Megginson, 2010). |
| Strategic Training | This study took this term as the diversity of learning, improvement and development portfolio in terms of sharing and gaining knowledge to improve organisational and individual goals (Megginson, 2010). |

Strategic Reward

This is the practice of introducing tangible and or intangible forms of appreciation to employees to improve their performance through salary and promotion.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

The manufacturing industry in recent times have become dynamic in the manner they operate due to the constantly changing business environment. The manufacturing industry in retrospect applied conventional methods and system in doing business but conversely this has slowly been weakened with the advent of new and modern ways of procedure and methods with the increasing demand for strategic human resource management (SHRM). Strategic human capital management is the essential backbone of all human resource-related initiatives. Human resources is taken as the chief input factor as its valued assets to the organisation where people or employees operate in an integrated system (Denton, 2006). With the implementation of robust Strategic Human Resource Management through the high-performance work systems (HPWS), organisations will likely improve their performance leading to organisational success (Boselie Dietz & Boon, 2005).

Organisational performance is possible with the company's acquisition of highly skilled and capable workforce that, competitors cannot imitate and most especially when properly motivated, it enables these employees to perform beyond expectations. Also, encouraging employees to participate in the decision making and providing them with quality training and sharing information that further enhanced their abilities, capabilities and decision-making skills. Researchers have established a concrete base in linking Strategic Human Resource Management practices to organisational performance and is also believed to be the main driver for sustainable competitive advantage (Delery & Shaw, 2001; Ulrich, 1997). Similarly, Armstrong (2009) stressed that modern organisations implement the Strategic Human Resource Management to address the increasing concern of the changing demand of human resources that has something to do with the changes and pressures in both internal and external environment forces.

The concept of strategic human resource management evolved in the 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Schuler, 2007). Strategic human resources management can best be understood by comparing it to human resource management. Kaplan and Hurd (2002) define that strategic human resource

management is a collection of tasks and processes shared jointly by line managers and human resources to solve business issues based on people. Michie and Sheehan (2005) define that strategic human resource management as the pattern of scheduled human resource tasks and deployment intended to enhance an organization to gain its aims.

Human Resource Management is defined as “the planning, organization, directing and controlling of the procurement, development, compensation, integration, maintenance and reproduction of human resources to the end that individual, organizational and societal objectives are accomplished” (Filippo, 2007). It can also be defined as a distinctive approach to employment which seeks to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce, using an integrated array of cultural, structural and personal techniques (Storey, 1989).

"The Fundamental aim of Strategic Human Resource Management is to enhance resource capability under the belief that the human capital of an organization is a major source of competitive advantage. It is therefore about ensuring that the right quality people are available to meet present and future needs. Competitive advantage is achieved by producing a coherent and comprehensive framework for developing people." Whereas HRM realises the essential contribution employees make to the life of the corporation but does not make a direct impact on its performance. Strategic Human Resource Management argues how an organization where employees realise new opportunities for growth and where they can utilise new potential represents an interrelated link with the working of the organization and its performance. Strategic human resources management argues that the role of the employees should be managed and aligned with the broader corporate objective of its management (Armstrong, 2006).

Strategic human resources management influenced by the global competition, and the corresponding search for sources of sustainable competitive advantage, and had achieved its prominence because it provided a means by which firms could enhance the competitiveness and promote managerial efficiency and effectiveness through employee performance in the organization. By nature, Strategic Human Resource Management implied a managerial orientation

which ensured that human resources were employed in a manner conducive to the attainment of organisational goals and objectives.

Strategic Human Resource Management focused on several issues such as; the fit between human resource management practices and organizational strategic goals, the integration of human resource management in an organizational strategic management, the involvement of human resource function in senior management teams, the devolvement of human resource practices to line managers and taking a strategic approach to employee selection and recruitment, strategic training and development, strategic compensation or reward, performance reward, employee voice mechanism, welfare practices, performance appraisal and the human resource value addition to the organizational performance (Dessler, 2013).

‘Business objectives are accomplished when human resource practices, procedures and systems are developed and implemented based on organizational needs, that is when a strategic perspective to human resource management is adopted. Strategic Human Resource Management can be defined as the linking of human resources (HR) with organizations’ strategic goals and objectives to improve business performance and develop organizational culture that nurtures innovation, flexibility and competitive advantage (Baird & Meshoulam, 1988). The integration of human resource management and strategic management has recently resulted from the emergence of a new discipline mostly known as Strategic Human Resource Management (Wright & McMahan, 1992). The developments in resource-based approaches taken by many companies have been accompanied by the linkage between HRM and organizational strategy. (Amit & Schoemaker, 1993; Barney, 1995; Grant, 1991; Peteraf, 1993).

This kind of strategic approach should be emphasised in human resources management to show how to find the instruments that will make the odds of the competition in the organisation’s favour. Four levels of integration exist between the HR functions and the strategic management function: Administrative linkage- HR function’s attention is focused on day-to-day activities, One-way linkage where the firm develops the strategic plan and then informs the HR, Two-way linkage: strategic planning team informs HR of the various strategies, HR analyze them and present the results to the team. After deciding, the strategic plan is passed to HR to implement and last but not

least, The integrative linkage: it is a dynamic process, based on continuing rather than sequential interaction, done by the HR executive who is a member of the senior management team. Mechanisms for integrating the HR function into strategy formulation may help the strategic planning team to make the most effective strategic choice since HR will implement it (Mazen & Kayaly, 2004).

It is therefore essential to note that, the economic environment is changing rapidly and this change is characterised by phenomena such as the globalisation, changing customer and investor demands, ever-increasing product-market competition. To compete successfully in this environment organizations continually need to improve their performance by improving training and development, working on better recruitment and selection methods, using excellent reward and compensation practices, to ensure motivation. Strategic human resource management represents a relatively new transformation in the field of human resource management. Strategic Human Resource Management is concerned with the role human resource management systems play in firm performance, mainly focusing on the alignment of human resources as a means of gaining competitive advantage (Mazen & Kayaly 2004).

Organizations are becoming aware that successful human resource policies and practices may increase performance in different areas such as productivity, quality, time management and financial management. Towards maximum effect, the Strategic human resource management functions must be integrally involved in the company's strategic management process. Strategic management process first analyses a company's competitive situation, develops its strategic goals and mission, its external opportunities and threats, and its internal strength and weaknesses to generate alternatives. In their second phase, the strategic management process determines a plan of actions and deployment of resources to achieve the pre-specified goals.

For a long time; strategy-making has been kept away from the HR field, and it was concerned in the first place trade, industries, investment or the business in general. Recently it has been emphasized that HRM is strategic by nature. Pynes (2004) has been interested in Strategic human resource management, he believed that to stand up with concurrence and the world business changes organizations need realistic information about their HR. in that sense he supported that

Strategic Human Resource management is the implementation of HR policies and practices in order to make the necessary changes to meet the organization's strategic objectives. Mintzberg (1978) concluded that all strategies come from the mind of people they make an impact upon and in order to achieve this view it is essential that HR in the organisation share the same perspective, that is what he called the collective mind.

It must be noted that the trend in Strategic Human Resource Management is to enhance it to a strategic level. Pinnamaneni (2015) argues that Strategic Human Resource Management is used to gain a competitive advantage; it tries to enhance Strategic human resource management to the business strategy level. It is well known now the relationship between strategic human resource management practices and innovation; (Seeck and Diehl, 2016). In the same context, Amarakoon (2016) studied how such innovations support competitive advantage, whereas Kaufman (2015) clarified the implications concerning Strategic human resource management and performance. For decades organizations wait from their Strategic human resource management practices to meet the short term requirements of their missions, now with the entering of the Strategic Human Resource Management in the schedule of the decision-makers, organizations are better able to respond to the demand of their internal and external environment. For now, Strategic Human Resource Management is a part of the process of strategy formulation (Pynes, 2004). Strategic HR Management is not a practice that is used in all organizations, and in fact, most professionals have different explanations of the process. First, human resources itself can be defined as the processes involved in maintaining an organizations human capital. Very simply, Strategic Human Resource Management can then be defined as implementing an overarching strategy for HR that will reflect the mission, purpose, and values of the organization as a whole.

1.1.1 Global Perspective

The global context is divided into three categories, namely; Anglo, Nordic and Germanic clusters. The Anglo cluster includes organizations operating in Australia, Canada, New Zealand, the United Kingdom and the United States of America. These countries continue to grow by the hour, and the business world adapts to competing on a global playing field, companies are relying ever more on their HR departments to be the glue to their organizations. In order for these underappreciated departments to rise and conform to core functions such as sales, marketing, and accounting, the human resources department must adopt Strategic Human Resource Management.

They are also characterized by; market and performance, with masculine orientation that values individualism and applies a meritocracy in managing people, maximization of short-term profits for investors rather than focusing on all stakeholder interests, weak employees' unions, contract-based relationships – under which job security is not guaranteed, personal trust based on social status and power rather than long-term interactions, few legislative restrictions on HRM-related practices, firm-centered and employer-driven Strategic Human Resource Management, individuals' responsibility, low tax base, income transfers and share of social costs to the Gross Domestic Product, workers with average or higher incomes are expected to rely primarily on private provisions and voluntary organizations- and charities-driven welfare services structure.

A historical perspective on high-performance work systems, which he argues date back a hundred years, but prefaces this historical review with a highly critical assessment of current U.S.-based Strategic Human Resource Management empirical scholarship. Kaufman claims that many of the problems with U.S. Strategic Human Resource Management “arise from overemphasis on knowledge areas and ideas relating to the internal dimension of organizations and management like, strategy, I-O psychology, organizational behavior and too little attention to those relating to the external dimension for instance, economics, industrial/employment relations, the macro side of sociology”. Kaufman gives Strategic Human Resource Management research a failing grade. Although the evidence Kaufman provides to support his negative assessment might be highly criticised by others, his call for more actionable research and for applying neoclassical economic frameworks that might “explain the lack of congruence between what the theory predicts and what the data show (Kaufman, 2007).

The Germanic cluster includes Austria, Germany and the Netherlands. Strategic Human Resource Management practices in these countries are characterised by the emphasis on employees' voice, collective bargaining, individual and organizational goals based on consultations, conservative public sector; and high insurance-based, non-employment benefits and old-age pensions (Stavrou, 2013). Festing (2008) describes how Germany's regulatory, corporate governance, capital market, and educational institutions affect how strategic human resource management is practised. For example, many strategic human resource management practices characteristic of the high-

performance work systems (job security, extensive training, and employee participation) are nationally legislated in Germany and are therefore not strategic differentiators that can be related to variance in firm performance. Other high-performance work systems practices, such as selective hiring and profit-sharing, although not legislated, are widespread and appear to have evolved as effective additional practices.

The Nordic Europe cluster includes organizations operating in Denmark, Finland, Norway and Sweden. Strategic Human Resource Management practices in these countries are shaped by factors, such as: institutional collectivism, uncertainty avoidance and future orientation, decentralized decision-making and extensive communication, stable unionization levels and job security, ability to meet both employee and employer needs, egalitarian values, social corporatism, sizeable public sector whose welfare services are financed by high taxes, public services financed through taxes, availability of public sector provisions to all citizens; distribution and allocation of about 50 percent of GDP by the public sector; massive contribution by the public sector in the labour market; and high rate of post-industrial employment in social service sector (Stavrou, 2013).

The applicability of the high-performance work systems Universalist perspective in China is challenged, where firms operate in a rapidly expanding and turbulent economic environment and within their own specific historical and cultural heritage. Although the government has a significant influence over business practices, its policy over the past 30 years has been to stimulate and support the development of privately owned businesses (Liang, Marler & Cui, 2010).

1.1.2 Local Perspective

Strategic Human Resource Management is yet to be fully realised in Kenya and in the Africa region where organisations put more emphasis on functional departments rather than the integration of the entire systems and departments. In Kenya, state corporations indicate poor performance since most HR and Strategic Human Resource Management related decisions are still being made by top officials, like the General Managers and CEOs. Other than the specialized human resource managers HR managers globally are now aware that the Strategic Human Resource Management function is moving beyond the traditional and classical areas into the broader area of business and strategic management. There is, therefore, need for the HR manager

to embrace overall aspects of business management and strategy. In Kenya, most organizations do not realise the need for effective strategic HR, and due to this, there has been an influx of discontent by employees of many state corporations who are the main actors in any organization (Waweru, 1988).

The manufacturing industry where Equator Bottlers Limited is part of generates employment and income for a significant percentage of the population and covers a wide variety of technologies and practices on different scales. Activities include industrial processes, which transform raw materials and generate both finished products and waste. Key areas of research have been safe disposal of waste, use of safe material and chemicals, and procurement methods (Gwaya, Masu & Wanyona, 2014). Consequently, little attention has been paid on strategic human resource management in the sector. Strategic Human Resource Management practices can improve efficiency and hence, the performance of employees in various organizations (Njiru, 2014).

1.2 Statement of the problem

Globalization, technology advancement and dynamic legislation amongst other factors pose a challenge in the management of human resources. Majority of these challenges stems from a myriad of factors including their inattention to the best practices in the management of human resources, inaccurate planning and control mechanism and organizational cultural and strategic practices. A principal goal of strategic human capital management is providing a consistent, easy-to-use experience for all employees that enhances performance as happy employees lead to happy customers, which leads to positive business results (Muindi, 2017).

In most firms today, it is the employees' skills and commitment that creates a competitive advantage for an organization. It is, therefore, important that organizations genuinely leverage the workforce as a competitive weapon to develop a competitive advantage. Equator Bottlers Limited had embarked on a process of realigning its human resource practices to competitive strategy to exploit the resultant financial gains and operational benefits. This study assessed the effects of strategic human resource practices on employees performance to validate prior assumptions on the relationship between the two variables. More specifically, the study focused on the drivers that provide a strategic fit between strategic human resource practices and unionisation in the firm which gives rise to improved financial and operational employees performance. The findings

proved the business case for adopting strategic human resource practices of Kenyan organizations (Markhamara, 2017).

Accordingly, a better understanding of the role of Strategic Human Resource Management in creating and sustaining organizational performance and competitive advantage should be achieved through further theoretical development and empirical evidence. Most studies examining the relationship between Strategic Human Resource Management practices and organization's performance have been conducted (Muindi, 2017, Makhamara, 2017 & Kimani, 2010). Those studies have inferred that indeed a link exists between strategic human resource management practices and employee performance. Therefore the discussion in this study sought to investigate into the effect of selected strategic human resource management practices on the performance of employees, a case study of Equator Bottlers Limited.

1.3 Purpose of the Study

The general objective of the study was to investigate the Effect of Selected Strategic Human Resource Management Practices on Employee Performance at Equator Bottlers Limited, Kisumu, Kenya.

1.3.1 Specific Objectives

- i.** To investigate the effect of strategic staffing on employee performance at Equator Bottlers Limited.
- ii.** To examine the effect of strategic training on employee performance at Equator Bottlers Limited.
- iii.** To examine the effect of strategic rewarding on employee performance at Equator Bottlers Limited.

1.4 Research Hypothesis

H₀₁: Strategic staffing has no significant statistical effect on employee performance at Equator Bottlers Limited.

H₀₂: Strategic training has no significant statistical effect on employee performance at Equator Bottlers Limited.

H₀₃: Strategic rewarding has no significant statistical effect on employee performance at Equator Bottlers Limited.

1.5 Significance of the Study

The study substantially offered a more understanding on several issues relating to Strategic Human Resource Management. These included strategic staffing, strategic training and strategic reward, all strategic human resource management practices. This study contributed to the existing body of literature. It helped human resource officers embrace the aspect of Strategic Human Resource Management; hence improved competitive advantage and overall organization performance. It also helped management support programs for improving employee effectiveness by developing policies in such areas as knowledge and talent management which generally creates ‘a great place to work’. The findings will serve as a basis for further research on this area for those who will be interested. For strategic managers and policymakers, this research addressed omissions and assumed responsibilities of the organization in accordance with Strategic Human Resource Management and its position in ensuring employee performance. It also endeavoured to recognize the role played by employees at the individual, team and organizational level.

1.6 Scope of the study

This study focused on finding out the effects of Strategic Human Resource Management practices on employee performance. These practices included but not limited to, strategic staffing, strategic training and lastly, strategic reward. The study was undertaken within the Kisumu region, specific to Equator Bottlers Limited. The target population were the 124 employees of Equator Bottlers that work within the premises. The time scope of the study took three months. The time scope was informed under the research undertaken as an academic exercise and as such, is aligned to the academic calendar at the university.

1.7 Limitations and Delimitations of the study

The research findings of the were deduced with respect to establish the boundaries, exceptions, and reservations inherent and experienced a multitude of constraints. This research study experienced issue pertinent the selected factors of training, rewarding and staffing and were delimited to the exclusion of other strategic human resources management practices. The findings and results of this study were taken with a number of necessary restraints given the conditions of the study which made it not possible to generalize the research study’s findings to all manufacturing

organizations since they have diverse characteristics and subsequently employ different Strategic Human Resource Management practices for management. Some respondents were reluctant to divulge information for fear of victimization.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The chapter presents both theoretical and empirical works of literature that are pertinent to the study. The theories provide a suggestion about the factors that link strategic human resource management practices and employees performance.

2.2 Theoretical Review

This section presents the theories on which the study is anchored. In an attempt to explain the relationship between strategic human resource management practices and employees performance, the researcher focuses on two competing normative theories as debated by numerous researchers: universalistic and contingency.

2.2.1 Universalistic theory

This theory is essentially based on two theoretical currents, the human capital theory as explained by Schultez (1961) & Becker (1976) and the strategic resources theory (Barney, 1995). It is also referred to as the best practice model, which is based on the assumption that there is a set of superior/best strategic human resource management practices, and that adopting them will inevitably lead to superior organizational performance (Luthans & Summer, 2005). The notion of best practice was identified initially in the early US models of strategic human resource management, many of which mooted the idea that the adoption of certain ‘best’ human resource practices would result in enhanced organizational performance, manifested in improved employee attitudes and behaviors, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency and of course increased profitability (Marchington & Wilkinson, 2008). Here, it is argued that all organizations will benefit and see improvements in organizational performance if they can identify, gain commitment to and implement a set of best strategic human resource management practices. Thus, universalistic perspective maintains that firms will see performance gains by identifying and implementing best practice irrespective of the product market situation, industry or location of the firm (Pfeffer, 2001).

However, the notion of a single set of best human resource management practices has been overstated. There are examples in every industry of firms that have very distinctive management practices, distinctive human resources practices which shape the core competencies that determine how firms compete. What works well in one organization will not necessarily work well in another because it may not fit its strategy, technology or working practices.

Organizational high-performance work systems are highly idiosyncratic and must be tailored carefully to each firm's individual situation and the specific context in order to provide maximum performance. These high-performance work practices will only have a strategic impact therefore, if they are aligned and integrated with each other and if the total human resource management system supports key business priorities. This approach, therefore, ignores potentially significant differences between organizations, industries, sectors and countries (Becker 2001).

The idea of best practice might be more appropriate for identifying the choices of practices as opposed to the practices themselves. The good practices that do well in one successful environment should not be ignored altogether. Benchmarking is a valuable way of identifying areas of innovation and development that are practised to good effect elsewhere by leading companies. But it is up to the firm to decide what may be relevant in general terms and what lessons can be learnt that can be adapted to fit its particular strategic and operational requirements.

2.2.2 Contingency theory

For the contingency theory, otherwise known as best fit human resource management, there is no universal prescription of HR policies and practices. It is all contingent on the organization's context, culture and its business strategy (Wright & Snell, 2005). Contingency scholars have argued that HR strategy would be more effective only when appropriately integrated with a specific organizational and environmental context. The best fit theory emphasizes the importance of ensuring that HR strategies are appropriate to the circumstances of the organization, including the culture, operational processes and external environment. HR strategies have to take account of the particular needs of both the organization and its people. It explores the close link between strategic management and human resource management by assessing the extent to which there is vertical

integration between an organization's business strategy and its human resource management policies and practices (Schuler & Jackson, 1987; Dyer, 2005; Mahoney & Decktop, 2006).

Vertical integration between business strategies or the objective of the business and individual behaviour and ultimately individual, team and organizational performance is at the fore of core models of strategic human resource management (Wright, 2004). Inherent in most treatments of fit is the premise that organizations are more efficient and/or effective when they achieve fit relative to when a lack of fit exists (Legge, 2005). This vertical integration or 'fit' where 'leverage' is gained through procedures, policies and processes is widely acknowledged to be a crucial part of any strategic approach to the management of people (Dyer, 2005). The best fit therefore ensures an explicit link or relationship between internal people processes and policies and the external market in business strategy and thereby ensures that competencies are created which have a potential to be a key source of competitive advantage (Wright, Gardner & Allen, 2005).

According to the contingency approach, strategic human resource management is not the ultimate factor that contributes to improved firm performance; it has to be integrated with other factors and an organization's strategic posture conditions the impact of HR practices in firm performance. A firm's approach to competition depends on or makes use of the talents and capabilities of employees, then HR practices would be more likely to have an impact on performance; otherwise, the connection between HR and performance might be minimal. One criticism often levelled at the contingency model is that it tends to over-simplify organizational reality. In attempting to relate one dominant variable to the organization, for example, compete on innovation, quality or cost to another internal variable, they tend to assume a linear, non-problematic relationship.

This theory is limited by the impossibility of modelling all the contingent variables, the difficulty of showing their interconnection, and how changes in one variable have an impact on others (Purcell, 2001). Boxall and Purcell (2003) further emphasise the complexity of matching HR and business strategy by stating the need to keep up with ongoing environmental change. They bring attention to a model by Wright (2005) asserting that SHRM should simultaneously promote fit and flexibility to cope with the future. However, responding to those external demands may undermine the possibility of achieving internal fit (Legge, 2005). Models of external fit fail to recognise the

needs of employees. More evident in highly competitive markets, businesses cannot survive without balancing the pressures from social norms, labour laws and critical employee interests. Conclusively, alignment of business and employee needs is needed. The best fit school also lacks emphasis on the internal context of individual businesses within the same sector and the unique characteristics and practices that may provide its primary source of sustainable competitive advantage (Legge, 2005).

2.3 Empirical Literature Review

This section will indicate what has been done by other researchers to identify the gap in strategic human resource management practices in achieving employee performance by highlighting each variable individually to form a framework.

2.3.1 Strategic Staffing and Employee Performance

Strategic staffing is “the process that organizations use to identify and address the staffing implications of their business strategies and plans”. It basically means taking a look at your firm’s staffing patterns in the past, looking at what business/sales initiatives are coming up and figuring out how many regular employees, as well as temporary or contract workers, will be needed to get the job done today, next month and five months from now (Bechet, 1993). Globalization, pressure for speed and innovation, and growing competition have given organization incentives to review their staffing strategy in order to attract, motivate and retain the workforce that will help them be successful (Zivnuska, Ketchen & Snow 2001). From an organizational perspective, while conventional staffing processes were centrally concerned with work-oriented analyses and determination of sets of knowledge, skills and abilities required for a job, strategic staffing looks beyond the job to identify extra-role behaviour. Strategic staffing is a shift to hiring for organisational compatibility as manifested through a fit between an individual’s personality, beliefs and values and the organisation has espoused culture, norms and values (Bechet & Walker, 1993).

Organisations must develop rigorous, well thought out innovative staffing practices that can develop talent pools and supply the right talent to meet the changing business climate. It is essential to recognise that staffing is not a single decision by the hiring manager, but rather a system that

contains definite stages (Ronn, 2007). Strategic Staffing also takes into consideration other human resource activities, such as employee development and classification. Strategic staffing entails a process via which staffing implications get identified and addressed concerning the solid business plans and strategies.

The process of strategic staffing should be consistent with the overall planning process of the organization. Stahl and Bjorkman argue that aligning or connecting the process of business planning with the processes of strategic planning is not enough. Strategic planning is not enough because only separate components can be linked or aligned. Consequently, for the process of strategic staffing to be efficient and effective fully, it has to be integrated continuously and seamlessly into the fabric of business planning. This way strategic staffing will allow companies to improve staff utilisation, to address critical HR concerns in a systematised and integrated way and to recruit, develop and place the talent required to meet future company needs (Snow, 2001).

The steps applied for strategic staffing include Identification which according to Wright (2019), the first step to strategic staffing is identifying needs. Assess what positions are crucial to the company's overall functions. Distinguish between needs and wants. One can move on to ancillary posts after critical positions get filled. After the needs get pinpointed, evaluate the means to fill those positions. Depending on one's financial situation, he may need to add, remove or combine positions. Allocate the most time and money toward fundamental staffing needs first and move on from there (Ronn, 2007).

After identifying staffing needs, begin recruitment efforts. The budget will dictate the type of candidates on target. If one has more money available, he can target more experienced candidates with accomplished resumes. With less to offer, he will have to take a chance on more undeveloped talent. An ideal recruiting strategy will strike a balance between experienced staff and novices while maintaining diversity in race, sex and age (Zivnuska, 2001). Filling the available positions does not spell the end of the staffing strategy. Once people are in place, they will need to be trained. Even the most experienced worker will need a period to become familiar with the company and procedures. Less experienced employees will need additional training to further their knowledge of the industry. One must also determine what level of cross-training is appropriate. Training

employees in the functions of others is a good defence against unexpected departures (Ketchen, 2001). Staffing strategy must plan for retention. Employees expect advancement when starting with a company. The salary commanded by an employee fresh out of college will be much different from the pay that the same employee expects after ten years. One must determine a strategy to extrapolate current salaries while allowing for a certain amount of turnover and expansion, both of which create a need for further recruitment (Walker, 1993).

2.3.2 Strategic Training Practice and Employee Performance

It is the learning process that involves the acquisition of knowledge, sharpening of skills, concepts, rules, and changing of attitudes and behaviours that enhances the performance of employees (Garavan, Costine 1995). Hall (1984) defined strategic training and development as identifying and managing employee learning in conjunction with the development of corporate and business strategies for the future. Continuous investment in training and development is essential for improving the performance of organisations' workforce and enhancing the services provided by organisations (US Office of Personnel Management, 2009).

In order for training and development to help accomplish organisational objectives, human resource training and development plan is established and carefully aligned with the corporate strategic goals (Harvey, 1983). Ironically, colleges and universities, which are in the business of education, have scarcely focused attention on the training and development of their employees to maintain the faculty and administrative vitality (Bush and Ames, 1984). Underlying many of the expressed concerns of training and development in academia is the absence of any systematic attempt to link training and development to the strategic plans of the institution, when in academia, employee development may be more critical today than ever before (Bush & Ames, 1984; Nelsen, 1983; Vaughan, 1984).

Organisations and companies dedicated to providing employees and its strategic partners the necessary guidance and tools for training and development help them to achieve their strategic goals and create a highly trained workforce (Pfeffer, 1994). Ensuring that the employees have the right skills is crucial to the growth and success of the business. It is recognised by several names, including employee development, human resource development, and learning and development

(Harrison, 2005). Training and development encompass three main activities: training, education, and development. Garavan, Costine, and Heraty (1995) of the Irish Institute of Training and Development note that these ideas are often considered to be synonymous.

However, to practitioners, they encompass three separate, although interrelated, activities: training which is an activity that is both focused upon, and evaluated against the job that an individual currently holds; education which is an activity that focuses upon the jobs that an individual may potentially hold in the future, and is evaluated against those jobs; and development is an activity which focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate. Many companies are now adapting to a broader perspective to training which is known as high leverage training. Strategic business goals and objectives are linked to high leverage training (Carnevale, 1990)

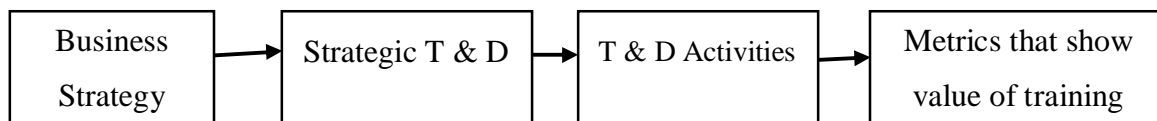


Figure 2.1: Strategic Training Practice

The business strategy involves vision, values and goals. The strategic training and development aspect involves learning portfolio, improved customer service, acceleration of employee learning pace and capture and sharing knowledge. Training and development activities, on the other hand, include the use of web-based training, making development planning mandatory, developing websites for knowledge sharing and increasing the amount of customer participation. The metrics to show the value of training are, learning, performance improvement, reduced customer complaints, reduced turnover and satisfied employees. Some of the modes of training utilised by employees are:

Self-directed learning is linked to self-development as put by Peter Drucker (1999), 'learning is always self-development'. He says the responsibility of personal development rests with individuals, their abilities and their efforts. The method is also called self-managed learning or

self-directed learning. It is reflecting on one's experiences and analysing what one needs to know and what one can do to increase one's effectiveness, now and in the future. Coaching is becoming increasingly popular as a means of promoting learning and development, according to a new survey from the Chartered Institute of Personnel and Development (CIPD). Coaching is defined by Armstrong and Stephens (2006) as a person-to-person technique designed to develop individuals' skills, knowledge and attitudes. It can either be formal or informal. Specialist consultants provide executive coaching. Coaching is often based on the information provided by personality questionnaires such as the Myers Briggs Types Indicator.

Mentoring is a process of using specially selected and trained individuals to provide guidance and advice which will help to develop careers of the people allocated to them, sometimes called proteges. It is aimed at complementing learning on the job and also complements formal training by providing those who benefit from training with individual guidance from experienced managers who are wise in the ways of the organization (CIPD, 2009). Action learning as developed by Revans (1989) is a method of helping managers develop their talents by exposing them to real problems. Managers are required to analyse the problems, formulate recommendations and then take actions. It is against the belief that managers learn best by doing rather than being taught. Revans produced a formula to describe this concept: L (learning) = P (program learning) + Q (questioning and insight). A typical action learning program brings together a 'set' or group of four or five managers to solve the problems. They help and learn from each other but an external consultant or a 'set adviser' sit in with them regularly.

The electronic delivery and support of formal training have been shown to make a significant contribution to staff productivity and motivation. Informal learning is being used by staff to share knowledge between widely dispersed teams in a way that is not easily captured through more traditional methods (e-Skills, 2009). Formal education programs which include off-site and on-site programmes explicitly designed for the company's employees, short-courses offered by consultants or universities, executive MBA programmes and university programs in which participants live at the university while taking classes. These programmes may involve lectures by business experts, business games and simulations, adventure learning and meeting with customers (Noel, 2008). Training and development is vital because it: Increase productivity and quality of

work, increase profits, maintains consistency, increases innovation in new strategies and products, reduce staff turnover and absenteeism, improve customer satisfaction and improve motivation

2.3.3 Strategic Reward and Employees Performance

The strategic human resource management practices function also includes evaluating and paying people based on their performance—not merely for showing up to the job. Firms must offer rewards for skill development and organisational performance, emphasising teamwork, collaboration, and responsibility for performance. Sound compensation systems include incentives, gain sharing, profit sharing, and skill-based pay that rewards employees who learn new skills and put those skills to work for the organisation. Employees trained in problem-solving and a broad range of skills are more likely to grow on the job and feel more satisfaction. Their training enables them to make more valuable contributions to the company, which, in turn, gains them higher rewards and more significant commitment to the company.

The most critical aspect of effective strategy implementation is a future orientation on the part of managers, and a reward system that can indicate what the company considers to be necessary. Matching rewards with the accomplishment of strategic goals constitutes a little used, but effective, compensation system. Organisations need a mechanism that demonstrates senior management's interest in attaining strategic goals, and the reward system is that mechanism (Stonich, 1981). There are conditions other than pay that can unleash employee energy: freedom, diversity, risk-taking, complexity, and a release from time pressures. Employees provided with these elements of job satisfaction, become a resource with elasticity—and one that is renewable (McKeachie, 1983).

Over and above pay, Todd (1981) argues that in organisations, developing a system linking employees with organisational strategy, three characteristics must be considered: the clarity of management's expectations and evaluation of employees, the strength of the performance-reward link for employees, and employee influence on and control over their work. Compensation and reward systems can become an essential signal of an organisation's culture and values. When considered from a strategic perspective, organisations could customise classification and compensation systems to help create a culture and attract a workforce that possesses the values, knowledge, skills, and abilities that support the organisation's strategic goals and objectives.

The guiding principles for a successful classification and compensation program should ensure that: Employees doing similar work should receive comparable wages, Variations in pay are based on significant differences in responsibilities and required knowledge, skills, and abilities (KSAs) on salaries paid by other employers in the marketplace. The process for classifying and evaluating the relative worth of positions must be fair. Besides, a classification and compensation plan that is continuously maintained results in, fewer requests for reclassifications, fewer grievances arising out of disputed job requirements, fewer pay inequities and morale problems, and a solid basis for evaluating works performance (McKeachie,1983).

One of the most fundamental and challenging tasks in the management of any personnel system is determining the comparative worth of each position. Employees are acutely aware of their compensation, how much responsibility gets assigned to them, and the “status” of their positions concerning other positions. Perceived inequities in pay or status can be a source of intense dissatisfaction, which translates into declining morale, lost productivity, absenteeism, grievances, and chronic bickering. It is impossible to eliminate all feelings among employees that inequalities exist in the pay system, but every effort can be made to achieve functional job groupings and an equitable pay level for all positions in the workforce. In recent years, organisations have responded to changes in the economy and shortages of employees with specific skills by taking a short-term approach that addresses the immediate need.

Changes made to increase the flexibility of current classification and pay systems have allowed organisations to be more responsive to the changes in the external climate and internal needs. The broadening of job classes, allowing for higher pay maximums, is just one way that flexibilities get introduced. Those types of initiatives have been generally successful in the public sector and will be discussed later in greater detail. Most public sector employers have at least considered making tactical changes to classification or payment plans. Organisations that develop long-term pay strategies recognise the critical role that compensation can play in achieving business objectives. Pay strategy looks at using pay to motivate employee behaviour towards the achievement of employer goals, and bases salary levels and salary increases on the value employees bring to their work. Cary Randow, Compensation Manager for the State of Washington in the United States,

discusses in a recent IPMA-HR report, *Compensation Strategies in the Public Sector*, five essential elements that make up the foundation for pay strategy:

Pay Philosophy is the organisation's concept of how employee compensation. It communicates the employer's direction and intent about employee's salaries. An organisation's pay philosophy must be stated, practical in its approach and application, and communicated. It is a vitally important component in preparing management to understand and apply employee salaries and salary changes in ways and circumstances that consistently support the employer's strategic goals. A pay philosophy is the core element in developing a successful pay strategy (Randow,2001).

Pay Competitiveness is easy to understand but challenging to achieve and communicate. The main reason, for most public sector employers, is the general unpredictability of operating budgets, which often negatively impact the organisation's ability to fund employee salary increases. Most employers address the pay competitiveness issues from only a tactical perspective, focusing on the individual situation as the issue presents itself. However, most public sector employers will never achieve total salary competitiveness if they continue with a short-term approach. Employers focused on pay strategy; however, have a much better chance to succeed by managing and defining it on their terms. Paying competitively also does not necessarily mean paying the market average. Pay strategy focuses on total compensation (salaries and benefits) and ranges of pay as opposed to specific pay levels to attract and retain employees (Todd, 1981).

Pay Delivery has traditionally been through rigid and inflexible systems. Traditional pay structures with pre-determined pay steps and timing intervals are still prevalent in many jurisdictions and are the most frequently used structure for delivering base salary and salary increases to employees. High performing organisations are often those that recognise and reward achievement in as many ways and circumstances as possible. Allowing managers more considerable discretion in pay structure can be very beneficial in positioning the organisation as an "employer of choice." Public sector employers who can use compensation to attract and retain high performers will experience the most success in the accomplishment of their business mission (Todd,1981).

Pay Practices these are the systems an organisation uses to deliver pay and pay increases. Pay practices play an essential role in the application of pay strategies in the public sector; from the way a pay increase gets granted, that is, base pay or a lump sum to increases for specialised skills, job hazards or geographic work location. Public jurisdictions can maximise long-term pay strategies by adopting flexible and innovative pay structures and systems that integrate well with each other and accomplish their purpose (Todd,1981).

Communication this is important, but often worst applied component of personnel system change. Typically, information is shared with employees on a “just in time” basis, and frequently knowledge is typically uneven/ throughout the management structure, and messages and timing usually are out of synch. Developing a strategic approach to communicating ones pay strategy helps assure that the right messages are delivered and received in the right time and the right manner. A well-developed communications plan will support an essential strategic objective of achieving employee understanding of the organisation’s compensation plan. When employees have access to information and the authority to act on that information, they are more involved in their jobs, more likely to make the right decision, and more inclined to take the necessary actions to further the organisation’s goals. Similarly, rewards need to be linked to performance so that employees are naturally inclined to pursue outcomes that will earn rewards and further the organisation’s success at the same time (Todd, 1981).

2.3.4 Employee Performance Measures

Measurements are an object of common managerial proverbs: “you cannot improve what you cannot measure” and “what gets measured gets done.” Nevertheless, when it comes to performance management, some might feel that this philosophy is inadequate. People are so much more than data. Moreover, teams have more productive things to do than bury themselves in employee performance metrics. Russel, Terborg and Powers (1985) demonstrated a link between the adoption of employment training programs and employee performance. The use of performance appraisals (Borman, 1991) and linking such appraisals with compensation has also gets consistently connected with employee productivity (Gerhart & Milkovich, 1992; Huselid, 1997).

Performance assessment is " a planned tool which is integrating the success of individual at a given task, his attitude and behaviours at work, his moral conditions and characteristics, and assessing employee's contributions to the success of the organisation" (Kaplan & Norton, 2001). In general, performance is a kind of process that consists of the phases like goal setting, measurement, assessment, feedback, rewarding for good results, improvement for bad results and applying sanction in case of necessity. This mentioned process is an essential guidance in respect to lead off in the topics, such as, what are the expectations from the employee, what are the goals of the organization in general and employee individually, what are the norms while reaching the indicated goals, whether or not there is need for a technical support or training (Kaplan, R. and Norton D, 2001, Lawrie, G. and Gobbold I, 2004). This guidance should get used in all firms which operate in the production and service sectors and would like to keep up with competition conditions.

The range of outcome variables includes, at the individual level, improved employee knowledge, skills and abilities, increased motivation, decreased turnover and improved retention of quality employees. Truss & Gratton (1994) have established a link between long-term outcomes of SHRM on individual well-being, organisational well-being and societal well-being. More recently, Guest (1999) has made a strong case for considering the 'workers' views' when evaluating the success of HRM. Having defined how the duties and works will be performed by employees, in a sense, it is evaluated as performance standards or performance objectives. Thus, the difference between measured performance and standard performance which should be required has been made. Performance standards/purposes/criteria can be quantitative or qualitative as well. Performance standards should possess SMART features. These SMART features are as follows: (Kazan, Pekkanli & Çatal, 2012).

Specific, where the aims should be related to the work done, agreed on, definite (concrete), and the workers should know what is expected from them. Measurable: The standards/aims should be objective and "measurable". It should determine how the success of the aim will be measured. If the standards are quantitative, then the measurement is more straightforward. However, if they are qualitative, then it is necessary to be more careful. A-Achievable: Standards should be not only challenging but also reachable. Aims should not be complicated that employees will never succeed

and they should not be straightforward as well to be able to achieve them. Should be "realisable"
 R-Reasonable: The aims (appropriate, reasonable). T-Time-Bound: Fulfillment of the aims should be "time-limited", that is semiannual or annual (Gratton & Truss, 1994).

2.3.4.1 Categories of Employees Performance Measurement

Effectiveness- A process characteristic indicating the degree to which the process output (work product) conforms to requirements (Are we doing the right things?). Efficiency- A process characteristic indicating the degree to which the process produces the required output at minimum resource cost. (Are we doing things right?) Quality- The degree to which a product or service meets customer requirements and expectations. Timeliness- Measures whether a unit of work was done correctly and on time. Criteria must be established to define what constitutes timeliness for a given unit of work. The criterion is based on customer requirements. Productivity- The value added by the process divided by the value of the labour and capital consumed. Safety- Measures the overall health of the organisation and the working environment of its employees. Some of the factors that can be used to measure performance may include but not limited to:

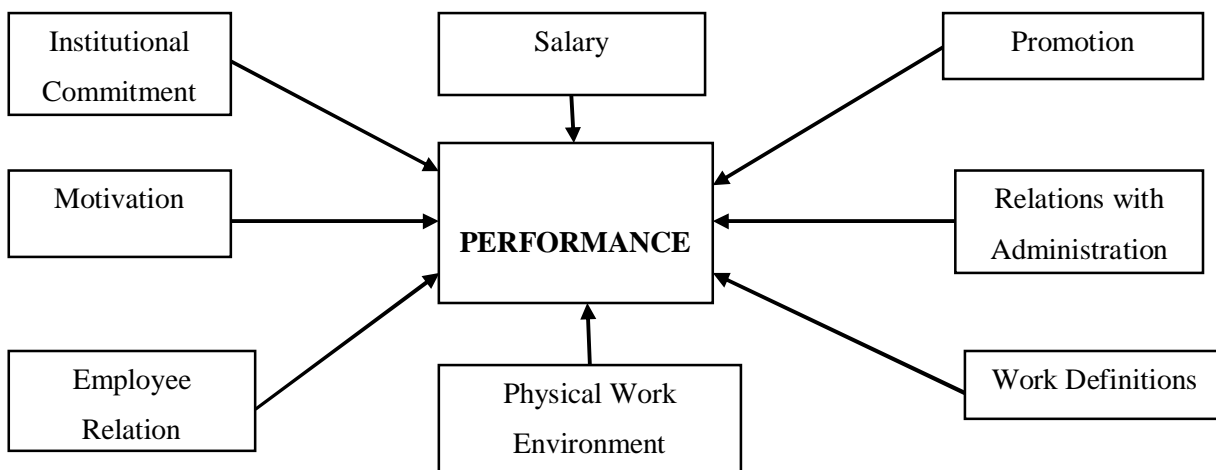


Figure 2.2 Employees Performance Measurement

Employees and the management team should collectively formulate performance agreements and plans as working documents incorporating provision for new demands and new situations as they arise. Objectives should be amended while work and personal development plans are updated. Learning and work should be integrated. Everyone should be encouraged to learn from their successes, challenges and problems inherent in their everyday work.

Employee performance improvement `represents the achievement of specific work or task.

Performance is an expression of the intervention into knowledge, skill and ability in order to increase the tangible and measurable productivity. The measurement of employee performance in this research involves five indicators such as work quantity, work quality, dependability, accountability to work, and punctuality in finishing the work. These indicators are adopted from Mahmudi's Theory (2007).

2.4 Summary of Literature and Research Gap

The empirical study presented shows varied research has been done on the effect of human resource management practices on employee performance in different organisations across the world. Numerous studies, from developed countries to developing countries have revealed that human resource practices have a significant influence on employee performance. However, as recommended by Guest (1997), in order to justify the previous studies it is crucial to examine HRM practices in as many settings as possible because the majority of factors affecting HRM practices are contextual. Fleetwood and Hesketh, for example, concluded that; "... empirical evidence for the existence of an HRM - Performance link is inconclusive... a statistical association in, and of itself, constitutes neither a theory nor an explanation" (Fleetwood and Hesketh, 2006).

The problem with strategic HRM as noted by Gratton (1999) is that too often, there is a gap between what the strategy states will be achieved and what happens to it. In some cases, the business strategy may not be clearly defined – it could be in a new or evolutionary state, which would mean that there would be little or nothing with which to fit the human resource strategy. Even if the business strategy is clear, it may be challenging to determine precisely how human resource strategies could help in specific ways to support the achievement of particular business objectives – a good business case can only be made if it can be demonstrated that there will be a measurable link between the HR strategy and business performance in the area concerned (Armstrong, 2009).

There are two difficulties in the adaptation of HR practitioners who grew up in personnel tradition. First, they have little knowledge of the more comprehensive business function, and on the one

hand, business strategists have tended to look down upon HR considerations because of the ambiguity and uncertainty attached to human behaviour. Secondly, practitioners have for decades played the role of arbitrators between staff and management, thus have depended in no small extent on the ability to find a compromise and reconcile the two sides, rather than develop clear agenda, thereby underlying the difficulty between the planning specialists find strategy difficult. They have not developed the strategic skills needed to contribute to their organizations effectiveness. Current education training programs give them little insight into how to link business, technical and HRM skills in times of considerable uncertainty. HR strategies tend to focus on numbers and also attitudes, behaviour and commitment, but their implementation is problematic. HR strategy is not simple, and that strategy itself has the same emotional, irrational and intuitive component as any other form of thinking or decision making (Price, 2011).

HR theorists are strategically illiterate. They use strategic concepts that are outmoded and defective. The problem is compounded by the lack of case studies to give us insight into the way strategies arise in practice. The reality is that faced with a choice between profit and well-being of employees, and most commercial organisations will select the former. ‘Softer’ HR issues continue to be secondary and subordinate to financial matters. Strategic actions derived from technological or financial considerations can have a direct and relatively immediate effect on an organisations people. HR initiatives are accommodated within a broad financial picture in which benefits or changes to people management must compete with other resources. In reality, long-term HRM goals such as Training and Development skills for the future are rarely considered. If employee commitment, flexibility and product quality are valued, they are sought for-profit and not pursued as beneficial for workers (Price, 2007).

The study established that programs for training, participatory work surroundings, recruitment and selection and inducement had a significant positive effect on employee performance (Ngui, 2004). The study recommended that additional study in the areas of strategic human resource management practices on organisational productivity be carried out as it would be valuable to understand the impact that the practices had on employee performance and management process for enhanced productivity in organisations. A study by Simiyu (2014) looked at the influence of HR function on employee performance in devolved governments a case of Mbagathi hospital and called for further

studies to be undertaken in Kenya for generalisation of the findings of the study. The researcher also noted that the variables in the study accounted only for 69% influence on employee performance and called for further research on other factors specified in the Health Sector in Kenya which could include employee voice, lack of enough finances, welfare services to employees and leadership styles.

Factors hindering professionals from achieving hospital goals at Moi Teaching and Referral Hospital, Kenya was researched (Mwakesi, 2014). The study findings revealed that the health professionals recruit or work with HR personnel to help them manage the hospitals better. A study by Cheruiyot et al. (2013), looked at the challenges of devolving HR function in Kenya and specifically Nakuru County, the researcher recommends that central government provide a framework of creating awareness and information related to the significance of devolved HR function in Kenya. The researchers found evidence of all the significant challenges that affected devolution of HR function recruiting unqualified staff, lack of training, low morale due to no promotion. The study established that lack of line manager's HR skills, apathy towards HR, complaints about increasing workload, inconsistency and a new dimension of ethnicity. The study recommends the central governments provide frameworks for creating awareness and information related to the significance of devolved HR function. The study also recommends a similar study to be carried out in other counties in Kenya to establish the challenges affecting employees at the workplace.

In his study, Anyango (2015) looked at the meaning and application of Employee voice in the organization and recommends that further research be carried out on the significance of employee voice on employee performance in the 51 devolved health sector. This could help employees understand the importance of speaking up for their rights. Apwoka et al. (2014) investigated the influence of Human Resource Management Professional's Act on the performance of the HR Function in Nakuru County and specifically looked at training. The study recommended that a study be carried out in all counties to ascertain the existence and implementation of training programmes and their effect on employee performance while a good number of empirical pieces of evidence established the link between various types of rewards and compensation and employee performance.

Research on the effect of performance-pay, organisational benefits, bonuses had eluded the researchers, and especially in the context of the devolved health sector in county governments in Kenya (Mensah & Dogbe, 2013). The study recommends that a study be carried out on the influence of HRMP Act on the county governments HR Professionals and establish its implementation. Several studies have also been carried out on state corporations in Kenya, Sabwami (2014), Waiganjo et al. (2013), on HRM and performance of financial cooperatives, and Midida, (2014), on Civil service in Kenya and Wanjau et al. (2012) on provision of service quality in public health sector a case of Kenyatta Hospital. The researcher targeted senior management who were interviewed while the remaining responded through the questionnaire. It is against this background that this study identified this research gap and carried out this research.

2.5 Conceptual framework

According to (Kombo and Tromp, 2009) a conceptual framework consists of broad ideas and principles that are taken from relevant fields of enquiry and used to structure a subsequent presentation. This conceptual framework shows the dependent and independent variables of the study which are correlated. The independent variable intended for this study indicates strategic training, staffing and reward. The dependent variable is the employees' performance which is indicated by, work quantity, work quality, dependability and accountability.

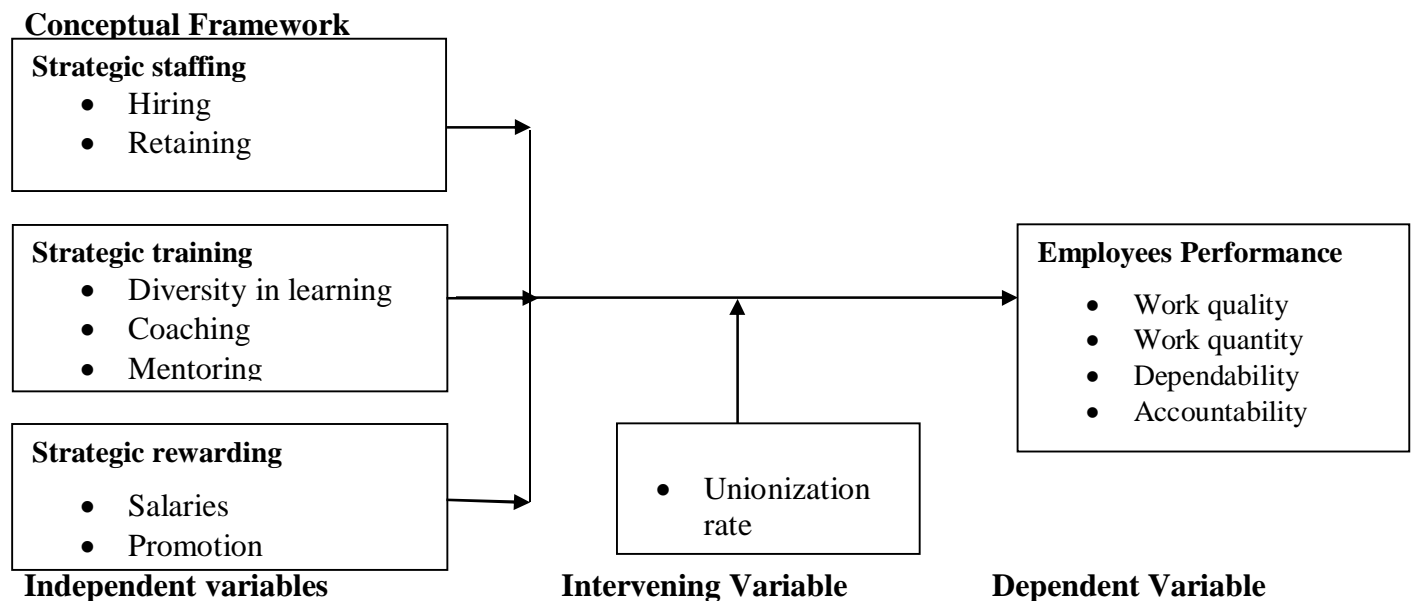


Figure 2.3 Conceptual Framework

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter focuses on the research design, sampling technique, data collection instrument, validity and reliability of data collection instruments, data collection procedure, data analysis and presentation, and ethical consideration. The chapter defines the concepts and gives reasons for their usage in this study.

3.2. Research Design

The research design is defined as the blueprint for fulfilling research objectives and answering questions (Mugenda & Mugenda, 1999). The research design has also been defined as the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to research purpose with economy in perspective (Ondiek, 2008). Research design can be defined as a road-map one uses in answering the research questions. A descriptive research design was used in this study. The purpose of a descriptive research design is the accurate portrayal of the characteristics of persons, situations, or groups, and the frequency with which certain phenomena occur.

The current study was conducted within the confines or paradigm of a case study, which investigated and made a detailed examination of selected phenomena. The research design was advantageous too and relevant for the study because it permits research to go beyond the statistical data it has gathered. The design provided data that is made to explain the phenomena under investigation more deeply and exhaustively than plainly quantitative research that present data only by numbers. Finally, concerning the time dimension, the study was purely cross-sectional. It was carried out once and presented via a snapshot of one point in time as opposed to a longitudinal study carried out repeatedly over an extended period.

3.3 Target Population

The target population defines those units for which the findings of the study are meant to generalise. The population is a well-defined or set of people, services, elements and events, group of things or households that are being investigated (Mugenda & Mugenda, 1999). Population refers to the set of all elements, units, objects or subjects in the universe of interest for a particular study

and when the population is clearly defined it is often referred to as the target population (Sekaran & Bougie, 2011). The target population of this study were all the 124 employees of Equator Bottlers Limited, and the census sampling method was used.

3.4 Data Collection Instruments

The main type of data used in the research was primary data which was collected by the use of questionnaires. A questionnaire is a data collection tool, designed by the researcher and whose primary purpose is to communicate to the respondents what is intended and to elicit desired responses in terms of empirical data from the respondents in order to achieve research objectives (Mugenda & Mugenda, 2008).

The questionnaire enabled the researcher to generate data on study variables. A closed-ended structured questionnaire was used in line with the study objectives. Structured questionnaires provided the researcher with an opportunity to get uniform responses from data for ease of reliability and consistency from various responses (Sekaran, 2009). Closed-ended questions are practical since all individuals answer the question using the response options provided (Creswell, 2012). This enabled the researcher to compare responses conveniently. Individual respondents filled the questionnaires. According to Mugenda and Mugenda, (2003), this method provides a means for coding responses or assigning a numeric value and statistically analysing the data. It also facilitated the work of tabulation and analysis after data classification through coding. According to Kothari (2007), using questionnaires is beneficial as they are low in cost even when the universe is vast and is widely spread geographically, they are free from the bias and respondents to have adequate time to give their views.

3.5 Data Collection Procedure

The data collection is defined as the precise, systematic gathering of information relevant to the research sub-problems. The researcher obtained permission from Kabarak University on approval of the proposal to proceed on data collection. Furthermore, in conformity with the government policy, the researcher obtained a permit from the National Council for Science and Technology (NACOSTI), and also from the relevant county government where the study was carried out. An introductory letter was also prepared before proceeding to the field for data collection. The researcher then proceeded to administer the questionnaires that had been dropped for picking later. The respondents were given ample time to respond to the questions.

3.6 Pilot Test

A pilot study is a process of carrying out a preliminary study, and it involved going through the entire research process with a small sample. The comprehensive pilot study was necessary since the pre-testing was to be a trial of the questionnaire instrument that helped in refining the questionnaire and determining the reliability of the instrument. According to Mugenda and Mugenda (2003), once a questionnaire is finalised, the researcher must test it in the field before the actual data collection exercise. Kaifeng et al. (2008), explains that a pilot study should preferably be carried out using subjects that will not be recruited for the main study. This is because the experience gained by subjects in the pilot study may bias the results of the main study if the same subjects are included.

Preliminary analysis using the pilot test data was undertaken in Rift Valley Bottlers Limited, Eldoret town: Uasin Gishu County, with a sample population of 11 employees since it has similar characteristics with those of Kisumu County and thus ensured that the data collected would enable investigative questions to be answered. The primary purpose of the pilot study was to ascertain whether the instruments would yield the required data, and to further improve on the data collection instruments. That was check face and content validity of the instrument (questionnaire and interview schedule). Estimate the average time taken by the respondents to complete the questionnaires. The pilot study addressed several key issues. The pilot study helped the researcher to check whether; the instruments adequately generate the required information, the instruments contain proper wording of questions, the items are logically arranged to facilitate response, any redundancies and repetitions that calls for the elimination of some questions.

3.6.1 Validity of the Instruments

Data validity is the degree to which a test measures that which it is supposed to measure (Porter, 2010). Mugenda and Mugenda define validity as the degree to which the research results obtained from the analysis of the data represent the phenomenon under study. Validity is concerned with the study's success at measuring what it seeks to measure. Three types of validity will apply to this study, that is, content validity, construct validity and face validity. Bless et al. (2006), states that in order to accurately measure the complex topics presented by social science research, the researcher must ensure that information is provided on all the different components. This then

implies that, if one component is ignored, the researcher cannot claim to measure whatever it is that they want to measure in the study.

The researcher continues to explain that in most cases, the content validity of an original instrument is achieved by referring to literary theory. The more the instrument measures all the various components of the variable, the higher the confidence in its content validity. Expert opinions were some of the measures that were used in making sure the instrument yielded validity data. To enhance the content validity, expert opinion from professionals in this field, the researcher's thesis supervisors were sought. Their comments were incorporated to improve the instrument. The face validity also enhanced the instruments review. According to Bless (2006), face validity is concerned with the way the instrument appears to the participant. I.e. an instrument may appear insultingly simplistic, far too complicated, or too repetitive. Such flaws affect the respondent's willingness to complete the questionnaire. In the case of construct validity, a five-point Likert scale was used. The Likert scale is where respondents will give their opinions or views that will enable the researcher to collect data that will be objective. Construct validity involves generalising from that program or measures to the concept of the program or measures. There is a need to develop sound evidence to demonstrate that the test interpretation (of scores about the concept or construct that the test is assumed to measure) matches its proposed use (Creswell, 2012).

3.6.2 Reliability of Research Instrument

Reliability of an instrument is the consistency of an instrument in measuring what it is intended to measure was established by first ensuring internal constancy approach followed by carrying out a pilot study. A questionnaire is considered reliable if the Cronbach's Alpha coefficient is more significant than 0.70 (Katou, 2008). The three independent variables and the dependent variable were subjected to a reliability test using SPSS.

3.7 Data Analysis and Presentation

Quantitative data from the study was analysed through descriptive and inferential statistics by the help of Statistical Packages for Social Scientists (SPSS) software. Descriptive statistics made use of the frequency, percentages and mean to describe the variables in the study. The effect of selected strategic human resource practices covering three major human resource functional areas of staffing, training and, reward management was measured using a five-point scale ranging from strongly agree assigned a value of 1 to strongly disagree with a value of 5 on the Likert Scale. The

mean score was then calculated. The lower the mean score, the higher the tendency for the respondents to agree and the higher the mean score, the higher the tendency for respondents to disagree. The similar scale has been used successfully in strategic human resource management studies (Huselid, 1996, Schuler 1992, Ulrich 1999).

The study undertook multiple linear regressions. The multiple linear regressions were used in the prediction of the response variables (dependent variables) based on the predictor (independent variables). This type of regression assisted in gaining knowledge on the metrics for the independent variable in relations to the ability to affect (predict) the dependent variable.

The regression model used in the study is as shown :

$$y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where; Y= Employees Performance

β_0 = constant

β_1, \dots, β_3 = Coefficients of estimates

X_1, \dots Strategic staffing

$X_2 \dots$ Strategic training

$X_3 \dots$ Strategic rewarding

$\varepsilon, \dots, \dots, \dots$ is the estimated error of the model

3.8 Ethical consideration

The consent statement that advised the respondents of diverse aspects provided the ethical consideration. The communicated aspects included the right of voluntary participation, the right to leave the study at any stage without incurring any financial penalties, the purpose of the study and the anonymity and privacy of the respondents.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND DISCUSSION

4.1 Introduction

This chapter presents the results of the quantitative and qualitative investigation on the effect of selected Strategic Human Resource Management Practices on Employee Performance in Equator Bottlers Limited, Kisumu, Kenya. Data analysis is a statistical process in which raw data is prepared and structured so that valuable information can get extracted from it (Ullah, 2010). The Statistical Package for Social Scientists was employed in data analysis, to generate frequencies, percentages, means and standard deviation for the qualitative data. Inferential statistics were used to infer if there were significant relationships between the dependent and the independent variable. The chapter also gives a summary of the demographic characteristics of the respondents.

4.2 Questionnaire Response Rate

The researcher issued out one-hundred and twenty-four (124) questionnaires. Of which 116 were returned, yielding a response rate of 93.5%. According to Mugenda and Mugenda (2003), who reports that a response rate of 50% and above is acceptable. Five (5) questionnaires were eliminated because of incomplete responses; therefore, one hundred and eleven (111) questionnaires yielding a response rate of 90% were used for data analysis.

4.3 Demographic Characteristics of Respondents

The study sought to establish the demographic data of the respondents. The researcher begun by a general analysis on the demographic data got from the respondents, which included gender, age, academic qualification, experience and terms of engagement.

4.3.1 Gender of the respondents

This study sought to establish the gender distribution of respondents who took part in this study. The gender of the respondents was, as shown in Table 4.1.

Table 4.1: Gender of respondents

| Gender | Frequency | Valid Percent |
|---------------|------------------|----------------------|
| Male | 71 | 67.0 |
| Female | 35 | 33 |
| Total | 106 | 100.0 |
| System | 5 | |
| Total | 111 | |

Out of the 106 valid questionnaires, there were 67% (n=71) male and 33% (n=35) female respondents. According to Ellis, (2007), despite women being the major actors in Kenya's economy and notably in the manufacturing industry, men still dominate. Perhaps the gender disparity may imply the level of employee performance in the manufacturing industry.

4.3.2 Age of respondents

This study sought to establish the age of respondents who took part in this study. The Age of respondents of the respondents was as shown in Table 4.2.

Table 4.2: Age of respondents

| Age | Frequency | Percent | Valid Percent |
|--------------------|------------------|----------------|----------------------|
| 18 – 34 Years | 58 | 52 | 52 |
| 35 – 44 Years | 36 | 32 | 84 |
| 45 – 54 Years | 12 | 11 | 95 |
| 55 Years and above | 5 | 5 | 100 |
| Total | 111 | 100 | |

4.3.3 Academic qualifications of respondents

This study sought to establish the academic qualifications of respondents who took part in this study. The Academic qualifications of respondents were as shown in Table 4.3

Table 4.3: Academic qualifications of respondents

| Experience in years | Frequency | Valid Percent | Cumulative Percent |
|----------------------------|------------------|----------------------|---------------------------|
| KCPE Certificate | 21 | 18.9 | 18.9 |
| KCSE Certificate | 33 | 29.72 | 48.62 |
| Diploma | 41 | 36.93 | 85.53 |
| Undergraduate Degree | 14 | 12.61 | 98.14 |
| Masters | 2 | 1.8 | 100 |
| Total | 111 | 100 | |

Education level profile of respondents in Table 4.3 was as follows; 18.9% possessed a KCPE certificate, 29.7% held a KCSE certificate, 36.93% were diploma holders, 12.6% were university graduates while 1.8% were postgraduates. From the results, it can be observed that most of the respondents understood the contents of the questionnaires and their responses could be taken seriously. As per this studies' findings, majority of the respondents were well above diploma level, which supports studies by King and McGrath (2012) who indicated that in today's constantly fluctuating business environment, education is one of the factors that impact positively on growth of firms and that those entrepreneurs with more extensive stocks of human capital, in terms of education and (or) vocational training, are better placed to adapt their enterprises to such unexpected fluctuations. This shows that the academic qualification affects employee performance in Equator Bottlers Limited.

4.3.4: Length of service of respondents

The study sought to establish the Length of service in the current station of each respondent who took part in this study as shown in Table 4.4

Table 4.4: Length of service at the current station

| Experience in years | Frequency | Valid Percent | Cumulative Percent |
|----------------------------|------------------|----------------------|---------------------------|
| 1-5 years | 45 | 41 | 41 |
| 6-10 years | 30 | 30 | 70 |
| 11-15 years | 15 | 15.0 | 85 |
| 16-20 | 5 | 5 | 90 |
| over 20 years | 9 | 9.4 | 100.0 |
| Total | 111 | 100.0 | |

The majority of the respondents (41%, n=45), had less than five (5) years' experience at the current station. Only 9.4% (n=10) had over 20 years' experience. The outcome suggests that most employees do not continue working for the company work for many years. The results correspond with the findings of Coffman and Gonzalez-Molina (2002) who report that, in general, workers start energized and engaged with their jobs but tend to drop off in as little as six months, and significantly decline in engagement after ten years of employment. It is, therefore, possible that most employees opt out of working after serving for some time.

4.3.5 Terms of Engagement of respondents

The terms of engagement of respondents were as shown in Table 4.5

Table 4.5: Terms of Engagement

| Terms of Engagement | Frequency | Valid Percent |
|----------------------------|------------------|----------------------|
| Permanent | 53 | 48 |
| Contractual | 58 | 52 |

Based on the findings, there were no significant terms of engagement disparity among the respondents, and the indication is that EBL operates by engaging both the permanent and contractual employees. The terms of engagement are at almost the same proportion, however there are slightly more contractual than permanent employees which would be attributed to the fact that most operations could be seasonal.

4.4 Descriptive findings of Independent Variables

The researcher analysed descriptive statistics for the following observed variables; strategic staffing, strategic rewards and strategic training. The 5-point Likert scale response categories used in this study can be observed in Table 4.6. There are two extreme values, that is, far left which signifies strongly disagree; and far-right which symbolises strongly agree, the middle answer category (number 3) represents neutral which means neither agree nor disagree (Velde, Jansen & Anderson 2004).

4.4.1 Strategic Staffing

Individual item analysis was performed to investigate the means and standard deviations of the items about the attitude towards strategic staffing. The detailed results are presented in Table 4.6.

Table 4.6 Percentages, Means and Standard Deviations of the Strategic Staffing Scale

| Opinion Item Indicator | SA (%) | A (%) | N (%) | D (%) | SD (%) | Mean | Std. Deviation |
|--|---------------|--------------|--------------|--------------|---------------|-------------|-----------------------|
| Transparency and fairness is followed when recruiting and selecting employees | 55.2 | 44.8 | 0 | 0 | 0 | 4.55 | .506 |
| Valid and standardized tests are used when required in the selection process | 44.8 | 51.7 | 3.4 | 0 | 0 | 4.41 | .568 |
| Promotions are frequently done in a transparent manner | 24.2 | 51.7 | 6.9 | 10.3 | 6.9 | 3.76 | 1.154 |
| Internal promotion is considered for those with experience and qualifications | 44.8 | 41.4 | 6.9 | 6.9 | 0 | 4.24 | .872 |
| Attitude towards work is used as a criteria in employee selection | 37.9 | 37.9 | 24.1 | 0 | 0 | 4.14 | .789 |
| Management has been utilizing associations, universities, and professional bodies to source for its employees/talents | 41.4 | 51.7 | 6.9 | 0 | 0 | 4.34 | .614 |
| The organization utilizes internet and other technologies to attract potential candidates | 24.1 | 51.7 | 13.8 | 1.3 | 0 | 3.90 | .900 |
| New employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection | 51.2 | 48.8 | 0 | 0 | 0 | 4.35 | .502 |
| The organization offers incentives e.g. bonuses, special packages to attract potential candidates | 45.8 | 51.0 | 3.2 | 0 | 0 | 4.21 | .548 |

The mean ranged from 4.55 to 3.76 on a scale of 1 for strongly disagree to 5 for strongly agree. High scores indicate that employees agree with the statements on their attitude towards seeking Strategic Staffing. The range of means indicate disparities in the perception of employees in terms of their attitude towards Strategic Staffing.

Descriptive statistics established that respondents agreed that Transparency and fairness are followed when recruiting and selecting employees. 55.2% of the respondents strongly agreed that while 44.8% of them agreed — this statement recorded a mean of 4.55 and a standard deviation of 0.506. Further, 96.5% of the respondents strongly agreed and agreed that Valid and standardised tests are used when required in the selection process. This statement had a mean of 4.41 and a standard deviation of 0.568. Besides, respondents agreed that Promotions are frequently done transparently. 51.7% and 24.2% of the respondents agreed and strongly agreed respectively recording a mean of 3.76 and a standard deviation of 1.154.

Additionally, the majority of the respondents agreed that their firm's image has a personality that distinguishes itself from other competitors. 44.8% of the respondents strongly agreed while 41.4% of them agreed, registering a mean of 4.24 and a standard deviation of 1.154. Also, they agreed that internal promotion is considered for those with experience and qualifications. 75.8% of the respondents strongly agreed. This aspect had a mean of 4.14 and a standard deviation of 0.789. With a mean of 4.34 and a standard deviation of 0.614, 51.7% and 41.4% of the respondents agreed and strongly agreed respectively that Management has been utilising associations, universities, and professional bodies to source for its employees/talents.

Moreover, the study established that respondents agreed ($M=3.90$, $SD=0.900$) that the organisation utilises the internet and other technologies to attract potential candidates. 51.7% of the respondents agreed while 24.1% of them strongly agreed. Majority of the respondents comprising of agreed that new employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) before Recruitment and selection 51% of the respondents strongly agreed while 48.4% of them agreed registering a mean of 4.35 and a standard deviation of .502. Finally, they agreed that the organization offers incentives e.g. bonuses, special packages to attract potential candidates. 96% of the respondents strongly and/or agreed. This aspect had a mean of 4.21 and a standard deviation of 0.548.

4.4.2 Strategic Training.

Individual item analysis was performed to investigate the means and standard deviations of the items about the strategic training construct. The descriptive results are presented in Table 4.7.

Table 4.7 Percentages, Means and Standard Deviations of the Strategic Training

| Opinion Item Indicator | SA (%) | A (%) | N (%) | D (%) | SD (%) | Mean | Std. Deviation |
|--|---------------|--------------|--------------|--------------|---------------|-------------|-----------------------|
| The organization has staff development programs in place | 79.3 | 20.7 | 0 | 0 | 0 | 4.79 | .412 |
| Staff at the organisation have been trained on the use of technology for efficiency | 51.7 | 44.8 | 0 | 3.4 | 0 | 4.45 | .686 |
| Equator Bottlers Limited organizes seminars, workshops for its employees | 34.5 | 48.3 | 6.9 | 10.3 | 0 | 4.07 | .923 |
| The organization has a training budget every financial year | 17.2 | 65.5 | 10.3 | 6.9 | 0 | 3.93 | .753 |
| A needs assessment for training is done before choosing employees to be trained | 58.6 | 41.4 | 0 | 0 | 0 | 4.59 | .501 |
| Training employees improves their work performance | 51.7 | 44.8 | 3.4 | 0 | 0 | 4.48 | .574 |
| The organization develops the skills of its staff in accordance with current job requirements | 31.0 | 55.2 | 10.3 | 3.4 | 0 | 4.14 | .743 |
| The training is offered to enhance the quality and standards of the products and services provided | 51.7 | 44.8 | 3.4 | 0 | 0 | 4.48 | .574 |
| The organization offers on the job training | 41.4 | 48.3 | 6.9 | 3.4 | 0 | 4.28 | .751 |
| The organization offers soft skills development training | 51.7 | 34.5 | 13.8 | 0 | 0 | 4.38 | .728 |
| Training offered to employees to promote participants into a higher grade | 13.8 | 69.0 | 13.8 | 3.4 | 0 | 3.93 | .651 |
| Career development is encouraged | 51.7 | 37.9 | 6.9 | 3.4 | 0 | 4.38 | .775 |

From the findings, respondents agreed that the organisation has staff development programmes in place. 79.3% of the respondents strongly agreed while 20.7% of them agreed registering a mean of 4.79 and a standard deviation of 0.412. Majority of them were in agreement that Staff at the organization have been trained on the use of technology for efficiency. 51.7% and 44.8% of the respondents strongly agreed and agreed respectively with a mean of 4.45 and a standard deviation of 0.686. Further, 48.3% of the respondents agreed while 34.5% of them strongly agreed that the

Equator Bottlers Limited organises seminars, workshops for its employees registering a mean of 4.07 and a standard deviation of 0.923.

Respondents agreed that the organisation has a training budget every financial year. 65.5% of the respondents agreed while 17.2% of them strongly agreed. This statement recorded a mean of 3.93 and a standard deviation of 0.753. In addition the majority of the respondents agreed that a needs assessment for training is done before choosing employees to be trained. Having a means of 4.59 and a standard deviation of 0.501, 58.6% and 41.4% of the respondents strongly and/or agreed. Having a mean of 4.48 and a standard deviation of 0.574, 51.7% of the respondents strongly agreed while 44.8% of them agreed that Training employees improves their work performance. Additionally, the majority of them agreed that the organisation develops the skills of its staff following current job requirements. 55.2% of the respondents agreed while 31.0% of them strongly agreed registering a mean of 4.14 and a standard deviation of 0.743.

Respondents agreed that the training is offered to enhance the quality and standards of the products and services provided 51% of the respondents strongly agreed while 44% of them agreed, registering a mean of 4.48 and a standard deviation of 5.74. Majority of them were in agreement that the organisation offers on the job training. 41% and 48% of the respondents strongly agreed and agreed respectively with a mean of 4.25 and a standard deviation of 0.751. Majority of them were in agreement that the organisation offers soft skills development training. 51% and 34% of the respondents strongly agreed and agreed respectively with a mean of 4.38 and a standard deviation of 0.728. Having a mean of 3.93 and a standard deviation of 0.651, 69% of the respondents strongly agreed, while 13% of them agreed that Training offered to employees to promote participants into a higher grade. Finally, they agreed that Career development is encouraged. 51% of the respondents strongly and/or agreed. This aspect had a mean of 4.38 and a standard deviation of 0.775.

4.5.3 Strategic Reward

Individual item analysis was performed to investigate the means and standard deviations of the items pertaining to the Strategic reward construct. The descriptive results are presented in Table 4.8.

Table 4.8 Percentages, Means and Standard Deviations of the Strategic reward

| Opinion Item Indicator | SA (%) | A (%) | N (%) | D (%) | SD (%) | Mean | Std. Deviation |
|---|---------------|--------------|--------------|--------------|---------------|-------------|-----------------------|
| The organization's salary scales are comparable | 41.4 | 55.2 | 3.4 | 0 | 0 | 4.34 | .670 |
| Incentives given to the employees motivates employees | 37.9 | 37.9 | 20.7 | 3.4 | 0 | 4.10 | .860 |
| The organization has a competitive reward and compensation system | 24.1 | 65.5 | 10.3 | 0 | 0 | 4.14 | .581 |
| In the organization, compensation for employees is directly linked to his/her performance | 31.0 | 44.8 | 17.2 | 3.4 | 3.4 | 3.97 | .981 |
| Rewards offered by the organisation affect employee performance | 20.7 | 58.6 | 13.8 | 6.9 | 0 | 3.93 | .799 |
| Good rewards have a positive effect on the employee performance of the organisation | 41.4 | 55.2 | 3.4 | 0 | 0 | 4.38 | .561 |

Results from the descriptive established that respondents agreed that the organisation's salary scales are comparable. 55.2% and 41.4% of the respondents agreed and strongly agreed, respectively. The statement recorded a mean of 4.34 and a standard deviation of 0.670. They also agreed that Incentives given to the employees motivates employees. 75.8% of the respondents strongly and/or agreed recording a mean of 4.10 and a standard deviation of 0.581. With a mean of 4.14 and a standard deviation of 0.581, 65.5% of the respondents agreed while 24.1% of them strongly agreed that the organisation has a competitive reward and compensation system. Results indicated that respondents agreed that in the organisation, compensation for employees is directly linked to his/her performance. 44.8% of the respondents agreed while 31.0% of them strongly agreed registering a mean of 3.97 and a standard deviation of 0.981.

The researcher observed that respondents agreed that rewards offered by the organisation affect employee performance. 58.6% of the respondents agreed while 20.7% of them strongly agreed

with a mean of 3.93 and a standard deviation of 0.779. Results recorded a mean of 4.38 and a standard deviation of 0.561, where respondents agreed that Good rewards have a positive effect on the employee performance of the organisation. 55.2% and 41.4% of the respondents agreed and strongly agreed respectively.

4.5.4 Employee Performance

Individual item analysis was performed to investigate the means, and standard deviations of the items pertaining to the Employee Performance construct are presented in Table 4.9

Table 4.9 Percentages, Means and Standard Deviations of the Employee Performance

| Opinion Item Indicator | SA (%) | A (%) | N (%) | D (%) | SD (%) | Mean | Std. Deviation |
|---|---------------|--------------|--------------|--------------|---------------|-------------|-----------------------|
| Staff turnover has decreased in the organization due to efficient use of strategic human resource practices | 34.5 | 58.6 | 6.9 | 0 | 0 | 4.28 | .591 |
| Employees in this organisation are leaving their jobs to look for greener pastures elsewhere | 13.8 | 62.1 | 10.3 | 13.8 | 0 | 3.76 | .872 |
| The customer feedback reports indicate positive results about the employee's services | 51.7 | 44.8 | 3.4 | 0 | 0 | 4.48 | .574 |
| The employees in this organisation are satisfied with their day to day responsibilities and activities | 41.4 | 48.3 | 6.9 | 3.4 | 0 | 4.28 | .751 |
| The employees' attitude towards work has improved | 51.7 | 34.5 | 13.8 | 0 | 0 | 4.38 | .728 |
| The quality of work provided by the employees in this organisation is exceptional | 13.8 | 69.0 | 13.8 | 3.4 | 0 | 3.93 | .651 |
| I am satisfied with my job position and the responsibilities | 20.7 | 55.2 | 24.1 | 0 | 0 | 3.97 | .680 |

Findings from the table indicated that majority of the respondents agreed that Staff turnover has decreased in the organisation due to the efficient use of strategic human resource practices. 58.6% of the respondents agreed while 13.8% of them strongly agreed. This had a mean of 4.28 and a standard deviation of 0.591. 75.9% of the respondents strongly and/or agreed that employees in

this organisation are leaving their jobs to look for greener pastures elsewhere registering a mean of 3.76 and a standard deviation of 0.872.

Further, with a mean of 4.48 and a standard deviation of 0.574, 97.5% of the respondents strongly and/or agreed that the customer feedback reports indicate positive results about the employee's services. Results established that majority of the respondents agreed that the employees in this organisation are satisfied with their day to day responsibilities and activities. 48.3% and 41.4% of the respondents agreed and strongly agreed respectively. This statement recorded a mean of 4.28 and a standard deviation of 0.751. Respondents agreed that the employees' attitude towards work has improved where, 51.7% of the respondents strongly agreed while 34.5% of them agreed. This had a mean of 4.38 and a standard deviation of 0.728. It was in agreement that the quality of work provided by the employees in this organisation is exceptional. 69.0% and 13.8% of the respondents strongly agreed and agreed respectively with a mean of 3.93 and a standard deviation of 0.651.

Further, they agreed that Employees in this organisation provide efficient services to their customers and the customers are very happy about this exemplary service. 51.7% of the respondents strongly agreed and 37.9% of them agreed where a mean of 4.38 and a standard deviation of 0.775 was registered. Additionally, the majority of them agreed that they are satisfied with their job position and their responsibilities. 55.2% of the respondents agreed while 20.7% of them strongly agreed. This statement recorded a mean of 3.97 and a standard deviation of 0.680.

4.5 Reliability Test

This study determined the overall reliability of each of the variables, which was more than 0.7, indicating the data was reliable.

Table 4.10: Reliability Results

| Variable | Number of Items | Cronbach's Alpha | Comment |
|---------------------|-----------------|------------------|----------|
| Strategic Training | 12 | 0.857 | Reliable |
| Strategic Staffing | 9 | 0.775 | Reliable |
| Strategic Rewarding | 6 | 0.870 | Reliable |

Strategic rewarding had the highest Cronbach’s alpha of 0.870; strategic training had the second-highest Cronbach’s alpha of 0.857 while strategic staffing had the lowest Cronbach’s alpha of 0.775. The study had three variables which were subjected to reliability test, and the results are shown in Table 4.10. Nunnaly (1978) suggested a value of Cronbach’s alpha 0.70 and above indicate that the instrument was reliable.

4.5.1 Multicollinearity Tests

The data was subjected to Multicollinearity test. According to Cooper and Schindler (2007) collinearity is where two independent variables are highly correlated while multicollinearity is where more than two independent variables are highly correlated. This would have a negative effect on multiple regressions which would make it risky to interpret the coefficient as an indicator of the relative importance of predictor variables. To determine whether there was Multicollinearity Variation Inflation Factor (VIF) and tolerance were determined. According to Hair et al. (2010), VIF should be lower than ten, and according to Menard (1995), tolerance of less than 0.10 almost certainly indicates a serious Multicollinearity problem.

Table 4.11: Tolerance and Variation Inflation Factor Statistics

| Variable | Multicollinearity Statistics | |
|---------------------|------------------------------|-------|
| | Tolerance | VIF |
| Strategic Training | .828 | 1.243 |
| Strategic Staffing | .964 | 1.423 |
| Strategic Rewarding | .654 | 1.587 |

a. Dependent Variable: performance

Table 4.11 indicates that the VIF was below ten and the tolerance level was more than 0.1. Therefore there was little Multicollinearity.

4.6 Inferential Statistics

This section presents correlation and multiple regression analysis results to evaluate the relationship between independent variables and the dependent variable (employee’s performance). Three independent variables, namely; strategic staffing, strategic training and strategic rewarding, were analysed in this study to establish their effect on strategy implementation.

4.6.1 Correlation Analysis

The study sought to establish the relationship between the independent variables and the dependent variable. The composite mean scores of each variable were computed to enable the inferential analysis. The composite scores for the independent variables were correlated with the composite scores for the dependent variable. Pearson product-moment correlation coefficient was used for the analysis. The findings from the analysis were presented as shown in table 4.12.

Table 4.12: Correlations

| | | Strategic staffing | Strategic training | Strategic reward | Employees performance |
|------------------------------|---------------------|--------------------|--------------------|------------------|-----------------------|
| Strategic staffing | Pearson Correlation | 1 | | | |
| | Sig. (2-tailed) | .001 | | | |
| | N | 111 | | | |
| Strategic training | Pearson Correlation | .464* | 1 | | |
| | Sig. (2-tailed) | .011 | | | |
| | N | 111 | 111 | | |
| Strategic reward | Pearson Correlation | .508** | .395* | 1 | |
| | Sig. (2-tailed) | .005 | .034 | | |
| | N | 111 | 111 | 111 | |
| Employees Performance | Pearson Correlation | .443* | .459* | .674** | .1 |
| | Sig. (2-tailed) | .016 | .012 | .000 | .005 |
| | N | 111 | 111 | 111 | 111 |

The findings on correlation analysis indicated that the independent variables were on average correlated with each other. Strategic staffing was shown to have an average positive significant ($r=.443$, $p=.016$) relationship with employees performance at $p<.05$ level of significance. This showed that strategic staffing has a direct relationship with employees' performance at EBL. As such, Strategic staffing has a significant role in improving the employees' performance at EBL.

Further findings indicated that strategic training has an average but, positive significant relationship ($r=.459$, $p=.012$) with the employees' performance. The p-value for the relationship

was at $p < .05$ level of significance. Therefore, the study concluded that strategic training has a statistically significant relationship with the employee's performance at EBL.

Besides, the findings indicated that strategic rewarding has a powerfully positive relationship ($r = .674$, $p = .000$) with employees performance at EBL. As such, the relationship was found to be significant at $p < .05$ level of significance. Therefore the study concluded that strategic rewarding has a statistically significant relationship with the employees' performance at EBL. The results further indicate that strategic reward ($r = .674$, $p = .000$) indicated the highest association to employee performance, followed by strategic training ($r = .459$, $p = .012$) and lastly strategic staffing ($r = .443$, $p = .016$).

4.6.2 Multiple Regression

The study went further and performed a multiple regression analysis to assist the researcher in fitting the regression model. The findings from the analysis were as shown in Table 4.13

Table 4.13: Multiple Regression Analysis

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| .759 ^a | .577 | .550 | .31447 | .577 | 21.556 | 6 | 95 | .000 |

The model is significant ($R^2 = .577$, $F(6, 95) = 21.556$, $p < 0.05$) and accounts for 57.7% of the variance in selected Strategic Human Resource Management Practices, which implies that there are other variables not included in this study that account for 42.3% of the variance in selected Strategic Human Resource Management Practices accounted by other factors, not in the present study. This implies that other variables explain the remaining 42.3%, of the variation in the selection of Strategic Human Resource Management Practices. The Anova were as presented in Table 4.14.

Table 4.14: ANOVA^b

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|-----|-------------|-------|-------------------|
| 1 | Regression | 1.657 | 3 | .414 | 7.577 | .000 ^a |
| | Residual | 1.312 | 107 | .055 | | |
| | Total | 2.968 | 110 | | | |

a. Predictors: (Constant), Strategic Staffing, Strategic Training And Strategic Reward

b. Dependent Variable: Employee Performance

The analysis of variance gave an F-value ($F_{(3, 107)} = 7.577$, $p = .000$) which was significant at $p < 0.05$ level of significance. This demonstrated that all the independent variables taken together significantly influence the employees' performance of manufacturing companies in Kisumu, Kenya. As such, independent variables determine the level of employees' performance in manufacturing companies. The coefficient model gave the following results as shown in Table 4.15.

Table 4.15: Coefficients^a

| Model | | Unstandardized Coefficients | | Standardised Coefficients | t | Sig. |
|-------|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .275 | .725 | | .379 | .708 |
| | Strategic staffing | .231 | .119 | .228 | 1.941 | .036 |
| | Strategic training | .338 | .138 | .335 | 2.449 | .004 |
| | Strategic reward | .534 | .163 | .530 | 3.270 | .003 |

a. Dependent Variable: Employees Performance

Based on the findings from the model summary Table 4.15, the following regression model was fitted;

$$Y = (0.275) + (0.231) X_1 + (0.338) X_2 + (0.534) X_3$$

From the coefficient model, the model constant was 0.275 for employees' performance at EBL. This revealed that the autonomous Y (value of the dependent variable with all other factors held constant) is a constant of 0.275 units. Further, with all other factors held constant a unit change in strategic staffing would significantly lead to a variance in employees' performance by a factor of 0.231 multiple units. On the other hand, a unit change in the strategic training would lead to a change in employee's performance by a factor of 0.338 multiple units. In addition, a unit change in strategic reward leads to a change in employees' performance by a factor of 0.534 multiple units.

4.7 Summary of Test of Hypothesis

The research used multiple linear regression analysis to determine the linear statistical relationship between the independent and dependent variables for this study. All three null hypotheses were tested using multiple regression models. For each hypothesis, the regression equations were first obtained using the beta coefficients on the line of best fit. The decision rule was to reject $H_0: \beta_i = 0$ if the regression coefficients are significantly different from zero and consequently accept the alternate hypothesis $H_a: \beta_i \neq 0$.

Table 4.16: Summary of Test of Hypothesis

| Hypotheses | Findings | Decision |
|---|--|------------------------------|
| H₀₁: There is no statistically significant relationship between Strategic staffing and employee performance in Equator Bottlers Limited. | There is a statistically significant relationship between Strategic staffing and employee performance in Equator Bottlers Limited. | Rejected the null hypothesis |
| H₀₂: There is no statistically significant relationship between Strategic training and employee performance in Equator Bottlers Limited. | There is a statistically significant relationship between Strategic training and employee performance in Equator Bottlers Limited | Rejected the null Hypothesis |
| H₀₃: There is no statistically significant relationship between Strategic rewarding and employee performance in Equator Bottlers Limited. | There is a statistically significant relationship between Strategic reward and employee performance in Equator Bottlers Limited. | Rejected the null hypothesis |

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the research findings from the data analysis. Data was interpreted, and the results of the findings were correlated with both empirical and theoretical literature available. The chapter further presents the summary, conclusions and recommendations of the study. Findings were presented in line with the research variables and the research objectives.

5.2 Summary of the Study

The study sought to investigate the effect of selected Strategic Human Resource Management Practices on Employee Performance in Equator Bottlers Limited, Kisumu, Kenya. The study found that the regression equations related to Strategic Human Resource Management Practices among employees performance to its strategic staffing, strategic training and strategic rewarding.

From the regression model, the study found out that there were factors affecting employees' performance in Equator Bottlers Limited, Kisumu, Kenya, which are strategic staffing, strategic training and strategic rewarding. They all affected it positively. The study found out that the intercept was 0.275. The three independent variables that were studied (strategic staffing, strategic training and strategic rewarding) explain a substantial 57% of the employee's performance in Equator Bottlers Limited as represented by adjusted R^2 (0.577). This, therefore, means that the three independent variables contribute 57% of the employee performance while other factors and random variations not studied in this research contributes a measly 43 % of the variation in the selection of Strategic Human Resource Management Practices. Summary of the research findings were presented in line with the objectives of the study and the variables of the study.

5.2.1 Strategic Staffing On Employee Performance

The first specific objective was to determine whether Strategic Staffing influenced employee performance in Equator Bottlers Limited, Kisumu, Kenya. Descriptive and inferential statistical methods were used to arrive at the findings. Several indicators were used on which the study established that fairness and transparency were followed in the EBL when recruitment and

selection were done. This held the highest score of 55%. It was also established that valid and standardized tests were being used when recruiting and selecting employees; this indicator scored the highest percentage. The internal promotion was found to be exercised for experienced staff with the highest score. The study also established that employment tests, for example, aptitude, skill tests and mental/cognitive were in place at EBL. The study also established that though EBL had a recruitment and selection policy, it was very much in force which had resulted in low employee turnover of staff that were experienced and talented.

5.2.2 Strategic Training on Employee Performance

The second specific objective was to establish whether strategic training influenced employee performance at Equator Bottlers Limited, Kisumu, Kenya. Again, descriptive and inferential statistical methods were used to arrive at the findings. The study established that training policy was in force with the highest score of staff who consented. Even although it was found that the policy was not only on paper and but also in force. Another indicator of strategic training was staff development which respondents strongly agreed and indicated that EBL had staff development procedures, policy or guidelines. The study also established that the use of technology by in Equator Bottlers Limited staff was adequate admitting that they had been trained on the use of most of the machines.

It was also established that in Equator Bottlers Limited, did organise seminars or workshops for employees where they could have some in-house training that would embrace interactions and brainstorming of pertinent issues. Training budget was one of the indicators that was looked at and the study established that although Equator Bottlers Limited had a budget, some of it was diverted to some other issues other than what it was meant for. The study established that there was training needs assessment for training employees of the Equator Bottlers Limited. Moreover, without the training needs assessment, there was no way management would know whom to train.

5.2.3 Strategic Rewarding On Employee Performance

The third specific objective was to determine whether strategic reward and compensation system influenced employee performance in the Equator Bottlers Limited. The researcher likewise used

both descriptive and inferential statistical methods to arrive at the findings. The study established that the Equator Bottlers Limited had a reward and compensation system. Equator Bottler's salary scales are comparable with other manufacturing firms. The study also established that incentives being given by the Equator Bottlers Limited had motivated employees. There were bonuses and allowances especially to those employees who worked in risky sections. It was also established that if the EBL had good rewards and compensation, and if they paid allowances for concerned employees, it could positively influence the performance of the employees.

5.3 Conclusion of the Study

The purpose of this chapter was to provide in a holistic and integrated manner the methodological framework adopted for examining the relationship of the system of SHRM practices and employees' performance. The study arrived at pertinent conclusions drawn from the findings of the study. The study concluded that top management had the responsibility to introduce indicators that could attract and retain new staff that were talented. Internal promotion, especially for employees who were qualified, could be enhanced to improve and boost employee morale. When selecting new staff, transparency, several tests like aptitude, cognitive and skill tests, behavioural tests could be included in the recruitment and selection criteria. The study also concluded that policy on recruitment and selection could be enhanced and adhered to for a clean process. Aptitude and cognitive tests that included behaviour tests were significant as the manufacturing sector was a susceptible sector that handled the quality products.

The study established that the implementation of strategic training wholly influenced employee performance. It was therefore concluded that there was a need for training and needs assessment programs that could ascertain those employees that required to be trained. There was also a need for a well-planned training program as it enhanced capacity. There was a need for training programs to be emphasised for all employees because it improved their skills and attitudes. The training was to be followed by continuous review and evaluation to ascertain the relevance of the training. It made employees be in tandem with the changing environment. It was also concluded that staff could be given the opportunity to develop themselves by offering them study leave, that would be paid for — the training budget and policy to be followed and adhered to. Concerning the

budget and policy, it was concluded that manufacturing sector needed to implement budget policy and adhere to it, this would discourage misuse or misallocation of funds.

It was therefore concluded that having a secure reward system retained talented staff and improved performance. It was also concluded that bonus payments and incentives were based on individual employee performance, but most were lacking. Though the salaries were comparable to other manufacturing firms, there were staff who worked long hours and yet they were never compensated, rewarded nor given any bonuses. It was concluded that the EBL could ensure that bonus payments were made to individual employees and that they could be proportionate to their work performance. It was also concluded that the facility should have well-structured and valid employee reward and compensation systems that could be all-inclusive. The study established the influence of human resource management professional's Act on the relationship between strategic human resource management practices and employee performance in the manufacturing sector in Kenya.

5.4 Recommendations of the Study

Deriving from the study's findings, the study came up with various recommendations geared towards improving the employees' performance of manufacturing firms in Kisumu, Kenya. The researcher has suggested pertinent recommendation citing information from theoretical review and the study findings in line with specific objectives of the study. The main objectives were the influence of strategic staffing, strategic training, and strategic reward and compensation systems on employee performance in the manufacturing sector in Kenya. The study recommends that the strategic human resource management practices that the study carried out be adopted and this will improve the performance of employees not only in the studied Firms but the entire manufacturing sector. For example, employees with qualifications can be subjected to internal promotion to improve employee work performance. Competency tests that include aptitude, skills tests, cognitive should be included in the criteria for recruitment and selection where the policy could be adhered to the later. Policy and criteria to be enforced. Employees who were hired on a contractual and or casual basis should be considered for a fixed term/permanent employment. The

study recommends that the manufacturing sector streamlines the area of contractual, casual staff and employee them people on a permanent basis.

Strategic training was a critical factor that influenced employee performance in the EBL. The study recommends that the EBL should offer employee training based on long term needs, audit employees by using job analysis and evaluation programmes which could help them understand and train relevant staff that would improve the manufacturing sector performance not forgetting staff development too. Training needs assessment could be carried out before any training programs began. An annual budget on training should be included in the training policy. Training could include for example; on the job training, specific training and vocational training. Training was very important as it retained talent. Training presents a good opportunity to increase the knowledge base of staff, but most employers generally find this expensive. Staff usually miss out on work while attending training which resulted in delaying timeline projects. EBL could consider offering talented staff scholarships to develop themselves for the purposes of performing better at their work. Finally, the study recommends that the health sector puts in place a sound reward system that could attract and retain competent doctors, nurses and other administrative staff.

5.5 Suggestions for Further Studies

The results of this study identify opportunities for more comprehensive future research in light of the model tested in this study, which will facilitate the implication of human capital and employee commitment within manufacturing companies, opening the way for additional support validity and construct stability over time. In addition, given that employee performance focused on aggregate behaviours at the EBL of Future research could further explore these relationships by testing the causal order, like human capital and employee commitment potentially affect perceptions of the system of SHRM practices and superior employees' performance may affect the system of SHRM practices. Therefore, the causal order needs to be investigated further.

The scope of this study was covering manufacturing firms in Kisumu town Kenya which is a negligible area to represent the whole country. As such, the findings of this study may not reflect the situation of manufacturing firms in the whole country. Therefore the researcher recommends

that the study be replicated in manufacturing firms in other towns in Kenya to enable the generalisation of the findings. On the other hand, the study recommends that future scholars examine the influence of other factors on employees' performance. This will go a long way in augmenting the results of this study, given that the considered issues in SHRM could account for less than 50% of the total variation in employees' performance.

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APPENDIX I: LETTER OF INTRODUCTION

Kabarak University
School Of Business and Economics
P.O. Box 20527, Private bag
Kabarak

RE: LETTER OF INTRODUCTION

I am a postgraduate student undertaking a double major MBA degree in Human Resource Management and strategic management in the school of Business and Economics, Kabarak University.

I am conducting a study on the: “Effect of Selected Strategic Human Resource Management Practices on Employee Performance; A Case Study of Equator Bottlers Limited Kisumu Kenya”.

The information gathered will be useful to various stakeholders in the service industry in the Country. All information provided will be treated with the highest confidentiality and will be used for academic purposes only.

Thanking you in advance for your time and cooperation.

Yours faithfully,

Monica Nyansarora Ondari

APPENDIX II: QUESTIONNAIRE

The questionnaire will be used to analyze the effect of selected Strategic Human Resource Management Practices on Employee Performance in Equator Bottlers Limited. Kindly take some time to attempt all the questions.

Code No.....

Date.....

SECTION A: DEMOGRAPHIC DATA

Please answer all Questions by inserting a TICK where appropriate or alternatively please write in the space provided.

1. Your gender

Male [] Female []

2. What is your current age?

18 – 34 Years [] 35 – 44 Years [] 45 – 54 Years [] 55 Years and above []

3. Highest Academic qualifications

Certificate [] Diploma [] Undergraduate Degree [] Masters []

Other (Specify)

5. How long have you served in your current station?

1-5 year [] 6-10 years [] 11-15 years [] above 15 years []

6. What are the terms of your engagement with your Organization?

Permanent [] Contractual [] Any other.....

SECTION B: STRATEGIC STAFFING

On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns Equator Bottlers Limited.

5= strongly agree 4= agree = 3=neither agree nor disagree 2= Disagree 1= Strongly Disagree

| Opinion Item Indicator | 5 | 4 | 3 | 2 | 1 |
|--|----------|----------|----------|----------|----------|
| Transparency and fairness is followed when recruiting and selecting employees | | | | | |
| Valid and standardized tests are used when required in the selection process | | | | | |
| Promotions are frequently done in a transparent manner | | | | | |
| Internal promotion is considered for those with experience and qualifications | | | | | |
| Attitude towards work is used as a criteria in employee selection | | | | | |
| Management has been utilizing associations, universities, and professional bodies to source for its employees/talents | | | | | |
| The organization utilizes internet and other technologies to attract potential candidates | | | | | |
| New employees are always administered one or more employment tests (skill test, aptitude tests, mental/cognitive ability) prior to Recruitment and selection | | | | | |
| The organization offers incentives e.g. bonuses, special packages to attract potential candidates | | | | | |

SECTION C: STRATEGIC TRAINING.

On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns Equator Bottles Limited

5= strongly agree 4= Agree 3= neither agree nor disagree 2= Disagree 1= Strongly Disagree

| Opinion Item Indicator | 5 | 4 | 3 | 2 | 1 |
|--|----------|----------|----------|----------|----------|
| The organization has staff development programmes in place | | | | | |
| Staff at the organization have been trained on use of technology for efficiency | | | | | |
| Equator Bottlers Limited organizes seminars, workshops for its employees | | | | | |
| The organization has a training budget every financial year | | | | | |
| A needs assessment for training is done before choosing employees to be trained | | | | | |
| Training employees improves their work performance | | | | | |
| The organization develops the skills of its staff in accordance with current job requirements | | | | | |
| The training is offered to enhance the quality and standards of the products and services provided | | | | | |
| The organization offers on the job training | | | | | |
| The organization offers soft skills development training | | | | | |
| Training offered to employees to promote participants into a higher grade | | | | | |
| Career development is encouraged | | | | | |

SECTION D: STRATEGIC REWARD

On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns Equator Bottlers Limited.

5= strongly agree 4= agree 3= neither agree nor disagree 2= disagree 1= strongly disagree

| Opinion Item Indicator | 5 | 4 | 3 | 2 | 1 |
|---|----------|----------|----------|----------|----------|
| The organization’s salary scales are comparable to other counties | | | | | |
| Incentives given to the employees motivates employees and enhances performance | | | | | |
| The organization has a competitive reward and compensation system | | | | | |
| In the organization, compensation for employees is directly linked to his/her performance | | | | | |
| Rewards offered by the organization have an effect on employee performance | | | | | |
| Good rewards have a positive effect on the employee performance of the organization | | | | | |

SECTION E: EMPLOYEE PERFORMANCE

On a scale of 1 to 5 (5 means strongly agree and 1 means strongly disagree) express the extent to which you agree or disagree with the following statements as concerns Equator Bottlers Limited.

5= strongly agree 4= agree 3= neither agree nor disagree 2= disagree 1= strongly disagree.

| Opinion Item Indicator | 5 | 4 | 3 | 2 | 1 |
|---|----------|----------|----------|----------|----------|
| Staff turnover has decreased in the organization due to efficient use of strategic human resource practices | | | | | |
| Employees in this organization are leaving their jobs to look for greener pastures elsewhere | | | | | |
| The customer feedback reports indicates positive results about the employee's services | | | | | |
| The employees in this organization are satisfied with their day to day responsibilities and activities | | | | | |
| The employees' attitude towards work has improved | | | | | |
| The quality of work provided by the employees in this organization is exceptional | | | | | |
| I am satisfied with my job position and the responsibilities | | | | | |

APPENDIX III: UNIVERSITY LETTER TO NACOSTI



KABARAKUNIVERSITY

Private Bag - 20157
KABARAK, KENYA

Tel: 0773 265 999
E-mail: directorpostgraduate@kabarak.ac.ke <http://kabarak.ac.ke/institute-postgraduate-studies/>

BOARD OF POSTGRADUATE STUDIES

29th August, 2019

The Director General
National Commission for Science, Technology & Innovation (NACOSTI)
P.O. Box 30623 – 00100
NAIROBI

Dear Sir/Madam,

RE: MONICA NYANSARORA ONDARI- REG. NO. GMB/ON/0853/05/16

The above named is a Master of Business Administration student at Kabarak University in the School of Business and Economics. She is carrying out research entitled “*Effect of Selected Strategic Human Resource Management Practices on Employee Performance in the Manufacturing Industry, A Case Study of Equator Bottlers Limited, Kisumu Kenya*”. She has defended her proposal and has been authorized to proceed with field research.

The information obtained in the course of this research will be used for academic purposes only and will be treated with utmost confidentiality.

Please provide her with a research permit to enable her to undertake her research.

Thank you.

Yours faithfully,


Dr. Betty Jeruto Tikoko
DIRECTOR, POSTGRADUATE STUDIES




Kabarak University Moral Code

As members of Kabarak University family, we purpose at all times and in all places, to set apart in one's heart, Jesus as Lord. (1 Peter 3:15)



APPENDIX IV: NACOSTI PERMIT

| | |
|--|--|
|  REPUBLIC OF KENYA |  NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION |
| RefNo: 863503 | Date of Issue: 19/September/2019 |
| RESEARCH LICENSE | |
|  | |
| This is to Certify that Ms.. Monica Ondari of Kabarak University, has been licensed to conduct research in Kisumu on the topic: Effect of Selected Strategic Human Resource Management Practices on Employee Performance in the Manufacturing Industry. A case study of Equator Bottlers Limited, Kisumu, Kenya. for the period ending : 19/September/2020. | |
| License No: NACOSTI/P/19/1402 | |
| 863503 Applicant Identification Number |  Director General NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION |
| | Verification QR Code  |
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