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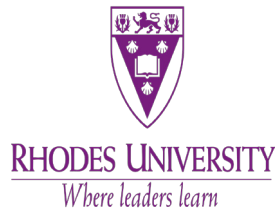
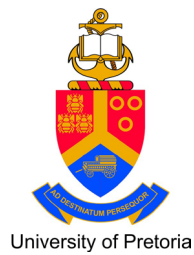
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The influence of leadership practices on the performance of Government Ministries in Kenya

¹Marystellah Nanjala Keter , ² Gedion Mouni, PhD

ABSTRACT

The purpose of this study was to establish how leadership practices influences the performance contracting results of Government Ministries in Kenya. The study used a descriptive research design. The target population of the study is Divisional heads, middle level managers and supervisors in 3 selected government ministries. These were Ministry of Education, Science & Technology, Ministry of Health and Ministry of Environment, Water& Natural Resources. Sample of 55 respondents was used. Result findings showed that leadership influences performance contracting results of Government Ministries in Kenya positively. Based on the finding the study recommends that the government should encourage the implementation of performance contracting in its ministries through good leadership practices.

Keywords: Leadership practices, performance contracting, government Ministries

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1.0 INTRODUCTION

A performance contract is an agreement between a government and a public agency which set up general goals for the agency. In addition, these agreements stipulate targets for measuring performance and offer incentives for attaining these targets (Hunter & Gates, 2008). They include a various incentive-based mechanisms for managing public agencies which have effect on the outcome instead of the process. The positive results of Performance Contracts in various countries such as France, Pakistan, South Korea, Malaysia, India, and Kenya has stirred a great deal of interest in this policy around the world (Wheeler, 2001).

Over time, governments have continually encountered the challenge of desiring to do things differently but with limited resources. Performance contracting assists in solving this challenge by providing a way for achieving desired behavior in the contest of decentralized management structures. Employers value performance contracting since it is a useful vehicle for defining roles and offer support to new managers in their supervisory and control roles. In addition, performance contracting gives managers freedom to execute their day-to-day responsibilities (Domberger, 2008). In Kenya, performance contracting framework was adopted by the Kenyan Government in the Public Service in 2004. Its introduction has helped to improve service delivery in the public sector (GoK, 2010).

Problem statement

The government introduced performance contracts in 2003 since the performance of the public sector in general and specifically the government agencies had over time fallen below expectations (Office of the President, 2005). However, despite this realization little research has been done to determine the determinant of performance contracts in Government Ministries in Kenya and their impact on performance.

The reviewed local studies include those of Obong'o (2009) which focused on historical perspective of the performance contracting in Kenya. He did not critically address the issue of performance contracting results in Government Ministries in Kenya. Studies by Muganda and Van Belle (2008) had a contextual gap since it focused on the local authorities only while this study addresses government ministries. Hence, this study sought to establish the determinant of performance contracting results in government

ministries in Kenya.

Research Objective

- i. To establish how leadership practices influences the performance contracting results of Government Ministries in Kenya.

2.0 Theoretical framework

Agency theory

According to Jensen and Meckling (1976), Principal-agent theory in economics is based on several key assumptions about human and organizational behavior. First, individuals and organizations are assumed to be rational in the pursuit of their self-interest. This results to variance of interests between the principal (owner) and agent (producer). The disconnection of ownership from production results to increased cost and complexity in monitoring the agent's behavior. This builds up information asymmetry that is beneficial to the agent as he performs a task on behalf of the principal. Under these conditions, two agency problems arise: moral hazard and adverse selection.

Moral hazard refers to occurrence of opportunistic behavior by the agent. Differing interests and information asymmetry favors the agent through creating opportunities for the agent to engage in behavior that maximizes his utility but conflicting the goals of the principal (Kiser, 1999). Through monitoring, the principal discovers opportunistic behavior and aligns the agent's behavior with his own goals. This helps in improving the outcomes of contractual relationships (Kiser, 1999). This theory is relevant to this study as the determinants of Performance Contracting Act as the agents of the departments and must act in good faith to fulfill the principles of the Principal.

Goal Setting Theory

Locke (1960) affirmed that patent goals and proper feedback motivates employees. Additionally, he said that when employees are motivated when they work towards a goal. Locke's study shed some light on the link between goals and performance. According to his study, specific and difficult goals resulted to better results and performance than those of vague, randomly set or easy to do goals. Locke and Latham, (1984) suggested that assignment of specific goals not only result in improved performance but also leads to increased motivation (Mitchell *et al.*, 2000).

Goal-setting theory does not emphasis on rewards but rather stresses on the inspiring power of defining appropriate work goals and engaging employee commitment to them (Marsden, 2004). Several studies have tried to establish the relationship between goal-setting and performance. Most of the evidences support the theory strongly. Marsden and French, (2001), found out that employees caused managers to set targets more precisely where the objectives contracted performance.

The theory is relevant to this study as Performance Contracts has a lot in setting goals and agreeing with the Ministry on the same. They are evaluated on the goals they have set themselves which forms the basis of Performance contracting.

Empirical Literature Review

Leaders are true leaders who require diverse skills associated with charismatic and visionary leadership. They have a zest and enthusiasm, add new value and look after initiative. Transformational leadership occurs when leader and follower come together in a bid to attain higher order or common goals. In this case, they individuals involved engage in capacity building resulting to realization of higher levels of motivation and morality. The implication is that the relationship between the leader and the follower is for a collective purpose (Avolio & Gardner, 2005).

Leadership influence is accomplished through motivational processes that raise the organizational members’ expectation for work. As a result, the employees’ levels of commitment to the organization and its purposes are raised. Leaders who seek to not only to recognize potentials but also go a notch higher into satisfaction of those needs only comparable to those of Maslow. Transformational leadership has a stronger positive influence with subordinate

ability, satisfaction, performance and motivation in comparison to transactional leadership, resulting into leader effectiveness, extra effort in duties and an air of satisfaction (Cooper, Scandura, & Schriesheim, 2005). Leaders are known to maximize on vision. They are idealized, trusted and respected by their follower; establish intense emotional bond with followers; inspire and motivate followers to commitment and willingness to share vision; they develop personal relationship with each individual; allow creativity and create a supportive climate in the organization for personal actualization. Transformational leaders encourage critical thinking and innovation towards their job resulting into intellectual stimulation. Followers in turn are willing enough to engage in self-interest as the leader appeals to their values and sense of higher purpose. It involves a higher order of exchange beyond tangible rewards (Avolio & Gardner, 2005)

Leadership is more task- oriental that is comparable to the scientific approach to management. Completion of a task is commensurate rewards given, just like the “carrot and stick (contingent rewards). Some researchers like it to the scientific mode of management. The leaders specifies standards for compliance as well as what happens in non-compliance. Monitoring closely for deviances, mistakes and errors, and adopting corrective measures when incidences occur (management-by-exception-active). Another factor is the concept of management-by exception (passive), where leaders make no clear guideline or goals, and taking action only when something is not going as per the effectiveness of anticipated occurs. Passive leadership makes subordinates more likely to avoid initiating change and prefer maintaining status quo (Antonakis, Avolio & Sivasubramaniam, 2003).

2.2 Conceptual Framework

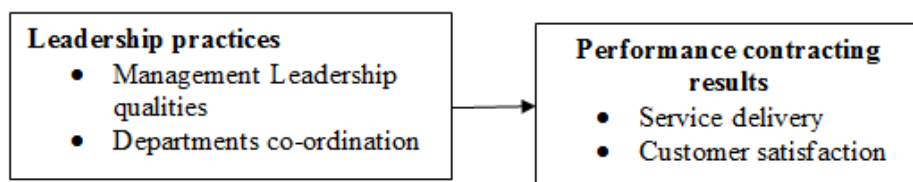


Figure 1: Conceptual Framework

3.0 METHODOLOGY

A descriptive research design was used in this study. The target population of the study composed of 185 Divisional heads, Middle level Managers and Supervisors in three ministries. A sample of 55 respondents. Questionnaires were used to collect data. Data reliability and validity was tested through a pilot test.

Table 1: Response Rate Data reliability and validity was tested through a pilot test.

Response	Frequency	Percent
Returned	41	75%
Unreturned	14	25%
Total	55	100%

Demographic Information

Gender Composition of Respondents

The study sought after finding the gender distribution of respondents. Results on figure 2 shows that 57.14%

4.0 RESULTS FINDINGS

Response Rate

The number of questionnaires that were administered was 55. A total of 41 questionnaires were properly filled and returned. This represented an overall successful response rate of 75%.

of the respondents were male and 42.86% of the respondents were female. This shows that there was no gender disparity amongst the respondents implying that there exists gender equity in the government ministries.



Figure 2: Gender

Level of Education

The study further sought after establishing the level of academic qualifications obtained by the respondents. The responses on this question are depicted in figure 3. A majority of 47.62% of the respondents reiterated

that they had acquired post graduate education, 30.95% university level, 16.67% college level while only 4.76% of them had education up to the secondary level. This implied that the respondents had attained high education.



Figure 2: Level of education

Years of Employment in One Capacity

The respondents were told to indicate the number of years they had worked in the same capacity in the government ministry. Majority 50% of the respondents indicated that they had worked in the same capacity for a period of between 5-9 years, 28.57 % of the respondents indicated they had worked in the same capacity for a period between 1-4 years, 16.67 % of the respondents indicated that they had

worked in the same capacity for more than 10 years year while 4.76% of the residents indicated that they had they had worked in the same capacity for less than 1 year. This is an implication that, in the government ministries, it takes time before one is promoted to a higher position. It can also imply that the respondents had worked with the government ministries for a long period of time and therefore they were reliable for the study.

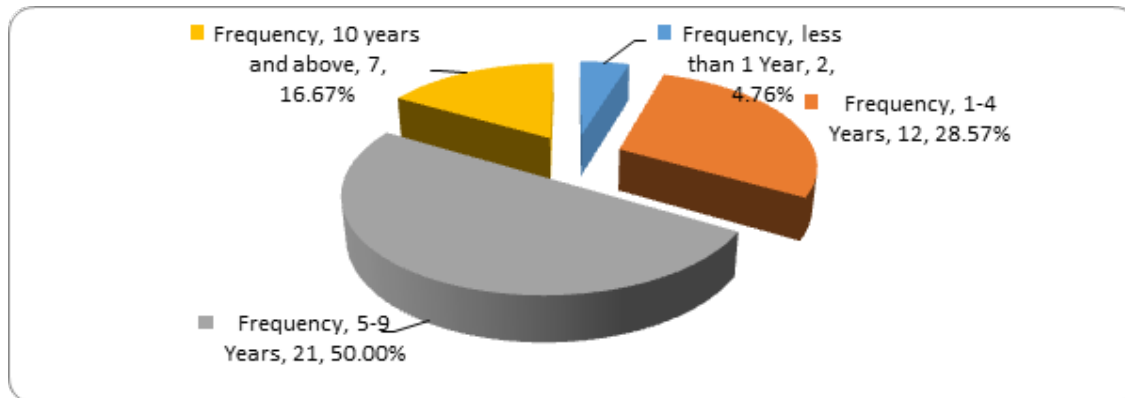


Figure 3: Years of Employment in the Same Capacity

Descriptive Analysis

Leadership Influences on Performance Contracting

Table 2 presents the influence of leadership on performance contracting. Results indicate that majority 88.1%of the respondents agreed that leadership qualities are visible in management, 71.5% of the respondents agreed that employees' views are taken into consideration in the management, 76.2% of the respondents agreed that administrative procedures and manuals exists, 63.4%of the respondents agreed

that administrative procedures are adhered to, 77.5%of the respondents agreed that there is proper co-ordination between the departments and 95.3%of the respondents agreed that there is good guidance to the staff in executing their duties by supervisors. The mean of the responses indicated from the results was 4.0 which show that the respondents were agreeing on most of the statements while the standard deviation was 0.6 which indicates that the answers received were varied as they were dispersed far from the mean.

TABLE 2: Leadership Influences on Performance Contracting

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std Dev
Leadership qualities are visible in management	0.00%	0.00%	11.90%	57.10%	31.00%	4.2	0.6
Employees' views are taken into consideration in the management	0.00%	2.40%	26.20%	66.70%	4.80%	3.7	0.6
Administrative procedures and manuals exists	0.00%	2.40%	21.40%	66.70%	9.50%	3.8	0.6
Administrative procedures are adhered to	0.00%	4.90%	31.70%	34.10%	29.30%	3.9	0.9
There is proper co-ordination between the departments	0.00%	2.50%	20.00%	70.00%	7.50%	3.8	0.6
There is good guidance to the staff in executing their duties by supervisors	0.00%	0.00%	4.80%	66.70%	28.60%	4.2	0.5
Average						4.0	0.6

Further, the respondents were asked to indicate the leadership style that is used in their ministry. The respondents indicated that their ministry used democratic, situational and socialist leadership styles. This implies that the government ministries have adopted diverse leadership styles.

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

In reference to the first objective of the study which sought to establish how leadership influences the performance contracting results of government ministries in Kenya. The study findings indicated that leadership influences impacted the performance contracting results of government ministries. This was demonstrated by descriptive statistics that showed that majority of the respondents agreed that; leadership qualities are visible in management, employees' views are taken into consideration in the management, administrative procedures and manuals exists, administrative procedures are adhered to, there is proper co-ordination between the departments and there is good guidance to the staff in executing their duties by supervisors. Regression results revealed that there was a significantly positive relationship between leadership influences and performance contracting. This was supported by a p value of 0.002.

Conclusion

The study concluded that leadership influences affected the performance contracting results of Government Ministries in Kenya positively. This implies that an improvement in the leadership practices in the government ministries would mean better results of performance contracting.

Recommendations of the Study

Based on the finding the study recommends that the government should encourage the implementation of performance contracting in its ministries. This can be done through improving the leadership practices.

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The Role of Human Resource Management in Adoption of Quality Management Systems in Kenya's Iso Certified State Corporations

¹Jane Muthoni Weru, ²Hazel Gachunga PhD, ³Prof. Romano Odhiambo, ⁴Robert Arasa PhD

ABSTRACT

The general objective of this study was to determine the role of Human Resource Management in the adoption of quality management systems in Kenya's ISO certified state corporations. The proposed research consisted of a descriptive survey. The population comprised a total of fifty nine state corporations that were ISO certified on 9001:2008 series by the Kenya Bureau of Statistics. The study applied a stratified random sampling technique to select a sample size of twenty one state corporations from the fifty nine which was a third of the target population. Purposive sampling technique was further applied to select a total of four respondents in each of the twenty one selected state corporations. Findings indicate that there is poor leadership in Kenya's state corporations that Kenya's state corporation lacks best hiring practices as a result competence is not emphasized in the organizations. Additional results provided showed that State owned corporations in Kenya have not adopted any performance management systems and the few that have adopted have a performance management system that does not meet the required standards. Further findings shows that there is a great interaction among employees of the same gender and to a small extend amongst other employees of the opposite gender which enables them to achieve organizational objectives. Inferential statistics from the analysis recommends that employees' interaction and networking is an important ingredient that would fasten the adoption of quality management systems in Kenya's state owned corporations. Leadership capabilities, competence management performance management and human resource information systems are very important in ensuring adoption of quality management systems.

Key words: Human resource management role, quality management systems, iso certified state corporations

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1.0 INTRODUCTION

Background of the Study

Organizational quality which is achieved through employee participation and aims at long term success through customer satisfaction and benefits to all members of the organization and the society is a manifestation of continuous improvement on organizational processes for individuals and organization as a whole (Rao & Ashok,2007). This recognition has brought the need to institutionalize quality management systems in organizations worldwide. It has further brought wide recognition that Human resource management as one of the internal processes impacts on the organization's quality in terms of performance and bottom line results, contributing to overall effectiveness; leading to increased interdependency of corporate strategy and human resource management (Guthrie & James,2008). The cornerstone of a quality organization is therefore concept of the customer and supplier working together for their mutual benefit (Kunst & Lemmink, 2007).

Quality Management Systems

A quality management system (QMS) is a set of co-ordinated activities to direct and control an organisation in order to continually improve the effectiveness and efficiency of its performance (Bunch & Rivers, 2007).

Quality management systems in Kenya

The adoption of quality management systems in Kenya took its roots through the private sector as early as 1950s, this was during the establishment and development of international companies such as Bata Shoe company, Kenya Breweries Company Limited (KBL), Barclays Bank and Kenya Power and Lighting Company (KPLC) among others, which needed to set standards of operations that are in tandem with other similar organizations in the world (Metri, 2007). The private sector in Kenya has over the time acquired certain international standards and has endeavoured to sustain them in ensuring standardization of processes globally.

Quality Management System in Kenya's Public Service

The adoption of quality management systems in Kenya public service dates back in July 1974 when the Kenya Bureau of Standards (KEBS) was established. The KEBS

Board of Directors known as the National Standards Council (NSC) was subsequently established as the policy-making body for supervising and controlling the administration and financial management of the Bureau. The public organizations are required to adopt QMS through certification to the ISO standards currently documented under 9001:2008 series.

Quality management systems in Kenya's State corporations

According to KEBS, 2011 report on State Corporations standardization there were 60 state corporations certified on the ISO 9001; 2008 series as at December 31st 2011. In Kenya's state corporations, the role of human resource management in facilitating adoption of quality management systems has not achieved a wide recognition and this has narrowed human resource roles to focus only on general employees' matters such as recruitment, training and performance management. Key roles of HRM identified as contributing towards achievement of better quality standardization include performance management, core competencies management effective leadership practices and Human resource information system but it is noted that the practices have not been embraced leading to underutilization of human resource roles towards adoption of quality management systems (KEBS,2011).

Human Resource Management

Human resource management (HRM) plays a predominant role in management of organizations' most important asset; the human resource, the people and lifeblood of organizations. HRM is an approach to people management, a distinctive philosophy in carrying out people-oriented organizational activities, (Torrington, Hall, & Taylor, 2008). Armstrong(2010) says that it is the strategic and coherent approach to management of an organization's most valued assets – the people working there who individually and collectively contribute towards the achievement of its goal.

Objectives of the Study

Specific Objective

The specific objective of this study was to:

- I. Determine the effect of human resource information systems in adoption of QMS in Kenya's ISO certified state corporations

2.0 LITERATURE REVIEW

Introduction

This study was informed by a comprehensive review of both theoretical and empirical review of the existing literature. The theoretical review helped in building an in-depth understanding of the current body of knowledge on the research topic. The empirical literature review helped in understanding what other related studies have found out and suggested in their recommendations.

Theoretical Framework

Total Quality Management (TQM) Model

According to Edward de Bono & Robert Heller, 2010 Total Quality Management (TQM) as one of the QMS

models is the process of instilling quality throughout an organization and its business processes. This approach aims at achieving success and customer satisfaction through embedding an awareness of quality all the way through a business planning and feedback.

Total Quality Management features centrally the customer-supplier interfaces, (external and internal customers and suppliers). A number of processes sit at each interface. Central also is an organizational commitment to quality, and the importance of communicating this quality commitment, together with the acknowledgement that the right organizational culture is essential for effective Total Quality Management, including the people, processes and systems in the organization (Edward & Robert,2010).

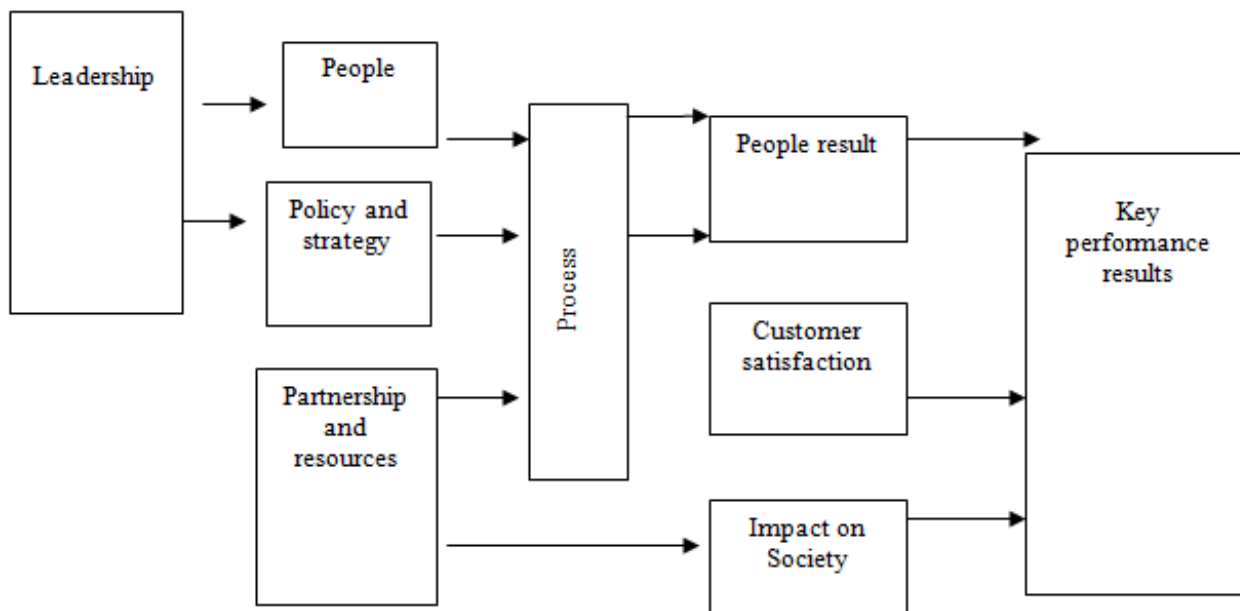


Fig 1 TQM Model Source: Edward & Robert (2010)

The model begins with understanding customer needs. TQM organizations have processes that continuously collect, analyze, and act on customer information. Activities are often extended to understanding competitor's customers. Developing an intimate understanding of customer needs allows TQM organizations to predict future customer behavior (Robert, 2010). Kunst, 2007 argued that TQM organizations integrate customer knowledge with other information and use the planning process to orchestrate action throughout the organization to manage day to day activities and achieve future goals.

Plans are reviewed at periodic intervals and adjusted as necessary. The planning process is the glue that holds together all TQM activities. Lackritz, 2007 contended that TQM organizations understand that customers will only be satisfied if they consistently receive products and services that meet their needs, are delivered when expected, and are priced for value. TQM organizations use the techniques of process management to develop cost-controlled processes that are stable and capable of meeting customer expectations.

European Foundation for Quality Management Excellent Model

The European foundation for quality management (EFQM) helps organization to establish an appropriate management system to set them on the path to excellence (Steven, 2008). This model explains gaps in performance and helps identify improvements. This model is based on the premise that excellent results with respect to performance, customers' people and

society are achieved through partnership, resources and processes. People play a key role and therefore human resources should be carefully planned managed and improved. People knowledge and competencies should be identified developed and sustained and people should be recognized and cared for (Steven , 2008).

Steven developed a model to show the interrelationship of various inputs and outputs as below:

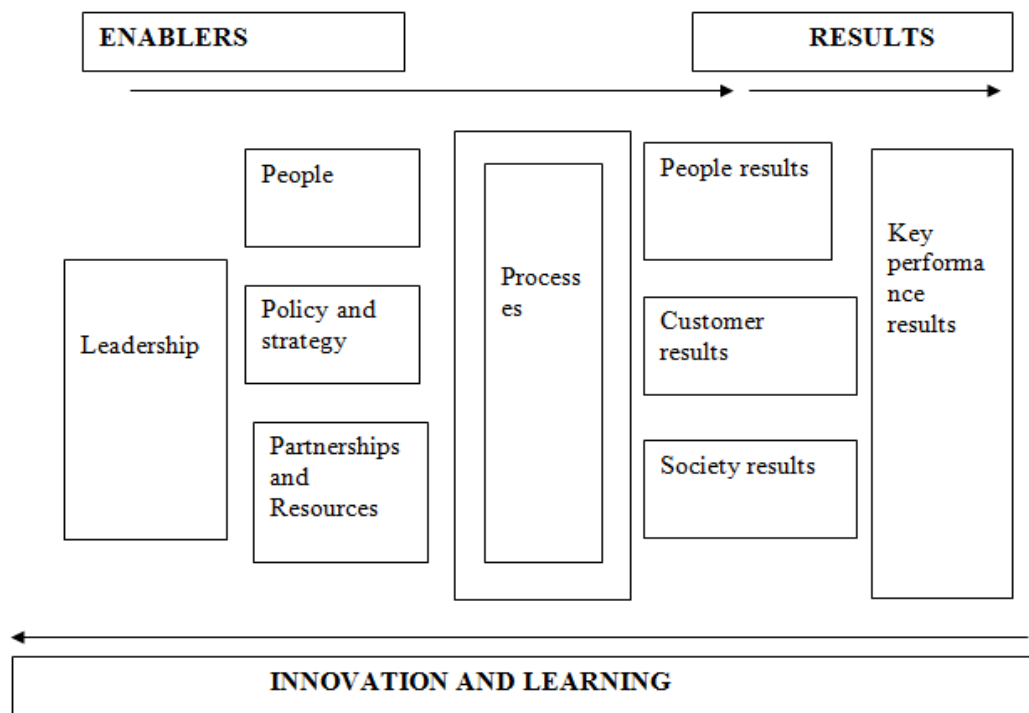


Figure 2: EFQM model

Other key factors of this model as depicted in the figure above include policy and strategy, partnerships and resources, leadership and key performance results. It is therefore evident in this model that human resource function is an all-round requirement for organizational improvement and success. This model has been used successfully by certain large companies like Renault, Philips and Ciba Geigy. The model is closely related to the TQM model and has successfully been implemented in about 30,000 companies in Europe (Steven, 2008).

Process Based Model (Approach)

According to this approach, a desired result is achieved more efficiently when activities and their required resources are managed as a process (Dery, 2009). A process is therefore a collection of activities delivering a specific output. These processes are therefore controlled through relevant criteria and methods.

Inputs and outputs are determined together with the suppliers and customers (Dery, 2009). The processes are measured and monitored and also analyzed to identify problems and improvement opportunities.

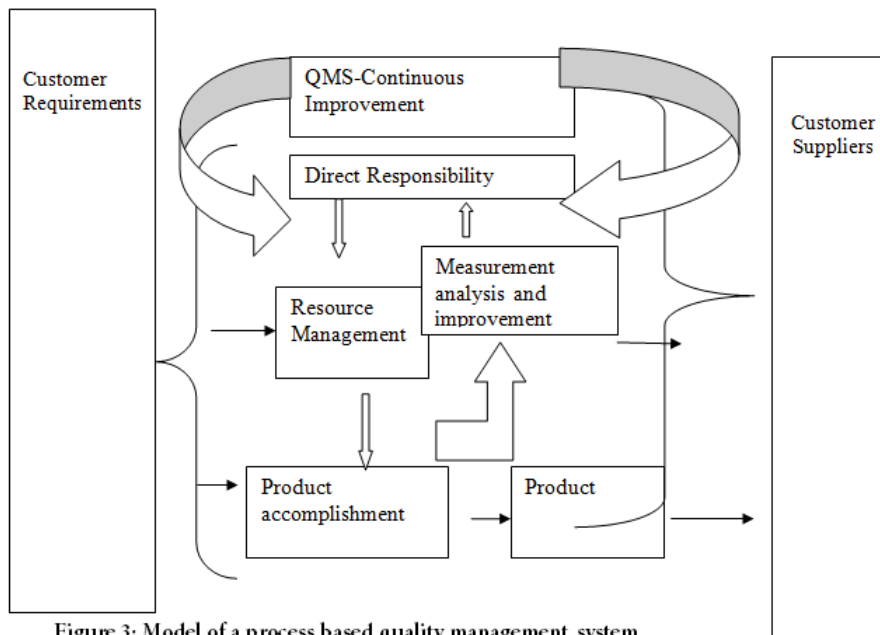


Figure 3: Model of a process based quality management system

The advantage of process approach is the ongoing control that it provides over the linkage between the individual processes within the system of processes as well as over the combination and interaction.

The GAP Model

The GAP model of service quality was developed by Parasuraman, 2006. This model offers an integrated view of the consumer-company relationship. It is

based on substantial research amongst a number of service providers. In common with the Grönroos model it shows the perception gap (Gap 5) and outlines contributory factors. In this case expected service is a function of word of mouth communication, personal need and past experience, and perceived service is a product of service delivery and external communications to consumers.

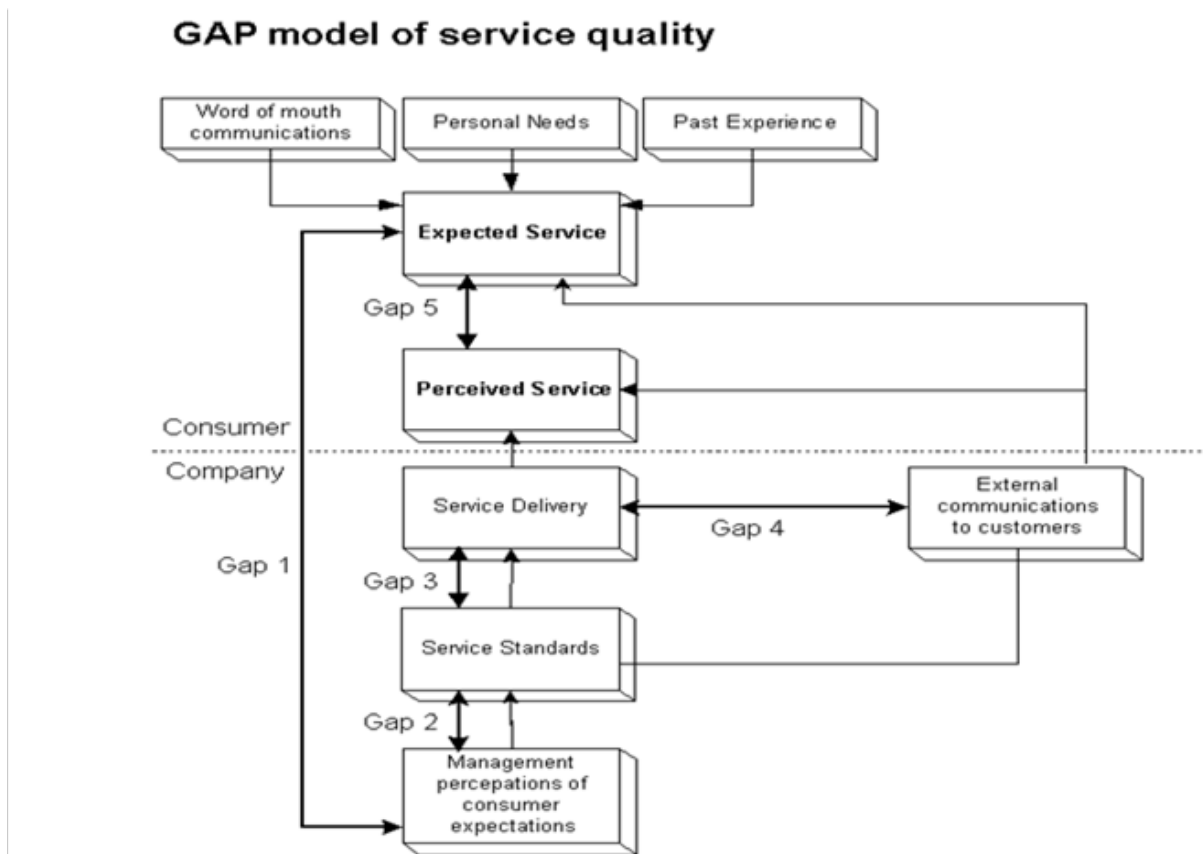


Figure 4: Gap Model of Service Quality

The SERVQUAL (Service Quality Model)

The service quality model is a widely used tool for measuring quality of the service on various aspects. It is used on E-service and is based on five attributes which include reliability, responsiveness, assurance, tangibles and empathy. This model tests for reliability on factual content of information; responsiveness for access and ease of navigation, security and business information; assurance for efficiency, sensation and general information; tangibles for design, flexibility and consumer related information and; empathy for personalization, privacy and security (Rowley, 2006)

Human Resource Management Theories

The Human Relations Theory

This school of thought therefore emphasizes on the need to give management systems a human touch. It can therefore be assumed that the role on human relations can affect how effective an organization is going to implement its quality management systems.

Systems Theory

According to Miller & Rice (1967) the systems theory in the Human resource management context emphasizes

on the need to treat organizations as open systems which are continually dependent upon and influenced by their environments. Katz & Kahn (1964) argued that this theory is basically concerned with problems of relationships, of structure and of interdependence. There is emphasis on the interdependence with the environment and within the different parts of the system in transforming inputs into outputs within the environment.

Human Resource Management Models

The Matching Model of Human Resource Management

Human resource systems must be managed in tandem with other systems of the organizations. According to Fombrun (1984) HR systems and organization structures should be managed in a way which is congruent with organizational strategy (hence the name matching model). This model therefore emphasizes on the role of competence management which include functions such as selection, performance management, reward and human resource development. These HR processes can be described in the HR cycle as shown below:-

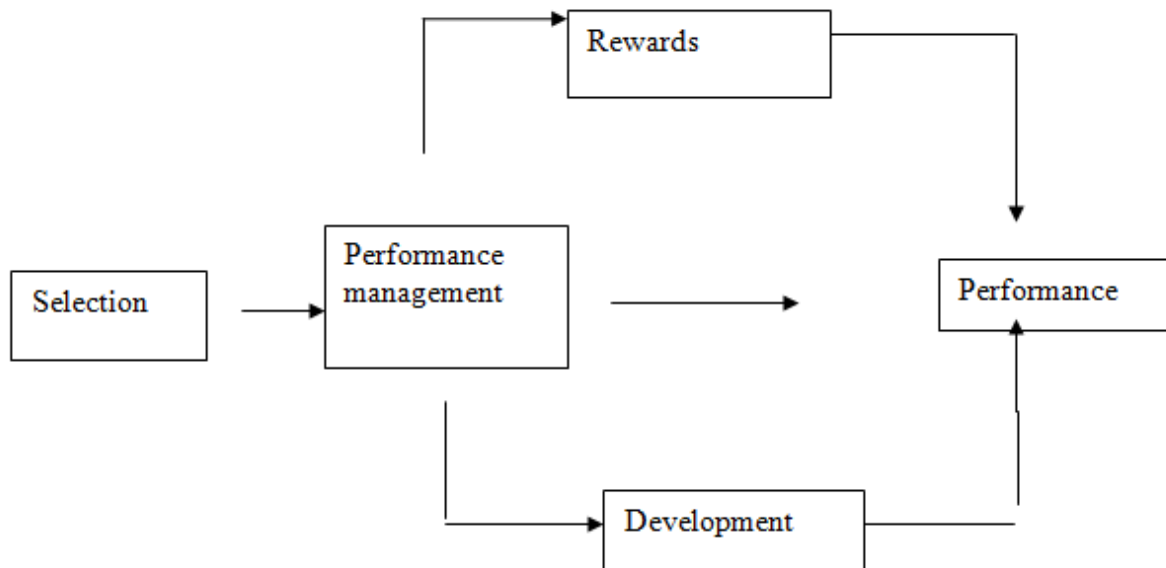


Figure 5: The HR cycle

Harvard Model

Guest, 1991 modified the Harvard framework of HRM by defining four policy goals which he believes can be used as prepositions. He advocated for strategic integration, the ability of an organization to integrate HRM issues into its strategic plans, ensuring that various aspects of HRM cohere and provide for line managers to incorporate a HRM perspective into

their decision making. He further advocated for high commitment to pursue organizational goals, high quality in regard to aspects of managerial behavior which bear directly on the quality of goods and services and investment in high quality employees; and flexibility which include functional flexibility and existence of an adaptable organization structure with capacity to manage innovation.

Conceptual Framework

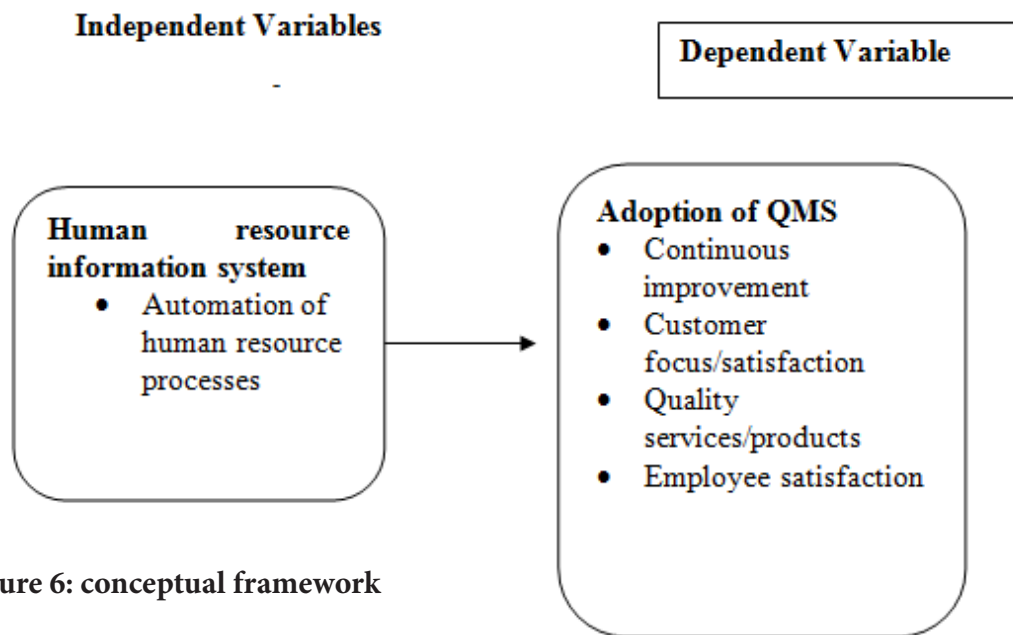


Figure 6: conceptual framework

3.0 RESEARCH METHODOLOGY

This research consisted of a descriptive survey study on the role of human resource management in adoption of quality management system in ISO certified state corporations in Kenya. This study used survey design and a descriptive research approach. The target population was fifty nine (59) state corporations in Kenya which are ISO certified by Kenya Bureau of Standards (KEBS, 2012). Probability sampling design involved the use of stratified random sampling technique, to select a sample size of twenty (20) state corporations which was the unit of analysis. Primary data was collected at source while secondary data was collected from published reference materials such as reports and journals. The Cronbach's alpha coefficient was used to assess the reliability of the constructs and to validate the questionnaire. These recommendations were then incorporated into a second draft of the instrument which was then given to a small sample of five respondents, each respondent randomly picked from the selected sample. The feedback collected during the pilot study was used to adjust or modify the questionnaire accordingly in order to improve the level of clarity. The data generated both quantitative and qualitative data. Descriptive statistics analysis method was applied to analyze numerical data gathered using closed ended questions. The Statistical Package for Social Sciences (SPSS) computer software was used for analysis to generate data array that was used for

subsequent analysis of the data. Linear regression analysis was applied to show the relationship between the research variables. Pearson's Correlation was used to test the association and strength of the variables by use of a significance level of 0.05 while the Goodness of fit through ANOVA was tested on how weak or strong the variables were fitting.

4.0 DATA ANALYSIS AND DISCUSSION

Response Rate

Initially the administered questionnaires to the respondents were 80 in number. However, the duly filled and returned questionnaires were 69 which is equivalent to 86% successful response rate.

Respondents' Level of Education

Results shows that majority of the respondents are university graduates as they constitute of 87%. Thirteen percent (13%) of the respondents have attained education upto to the PhD level. These results imply that majority of the top management in State Owned Corporations have satisfactory background in education.

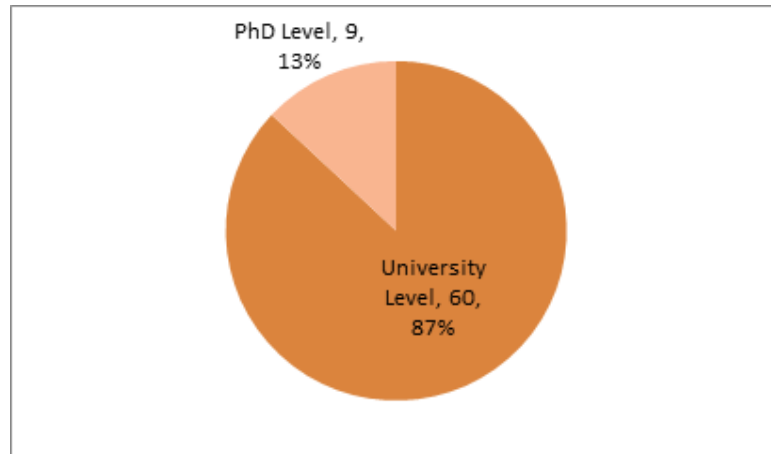


Figure 7 Level of Education

Job Titles of the Respondents

Results in Figure 8 shows that majority 32% of the respondents were in the position of the head of human resource, 28% were heads of internal audit, 21% were head of technical services while another

10% were board directors. These results imply that the information gathered for the study was objective enough as the targeted respondents participated reasonably in the survey.

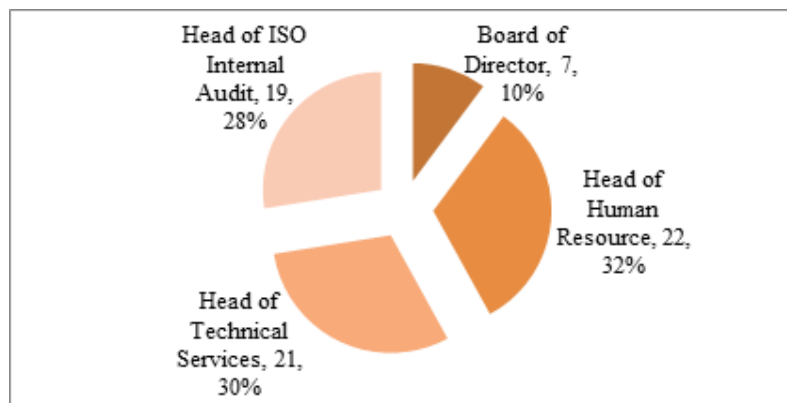
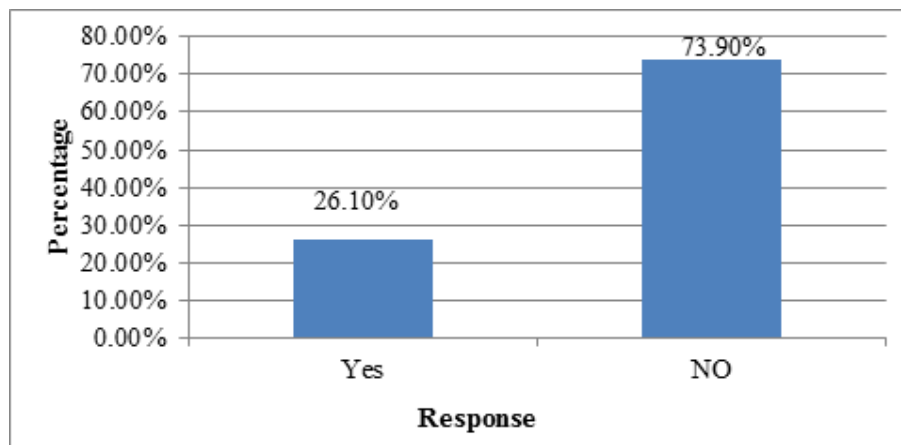


Figure 8 Respondents' Job Titles

Adoption of Quality Management Systems in State Corporations

The study sought to establish the role of Human Resource Managers in the adoption of Quality

Management Systems in State owned corporations. Figure 9 below indicate that seventy four percent of the respondents indicated that state owned organizations have not maintained their quality management system since it was ISO certified.



Normality of Adoption of Quality Management Systems

Figure 10 shows the results on the normality test of adoption. From the graph it is evident that the adoption as the dependent variable of the study was

normally distributed and the outliers were few. These results imply that majority of the responses were closer to the normality line as a result of effective data which was suitable for all type of statistical analysis including parametric and regression analysis.

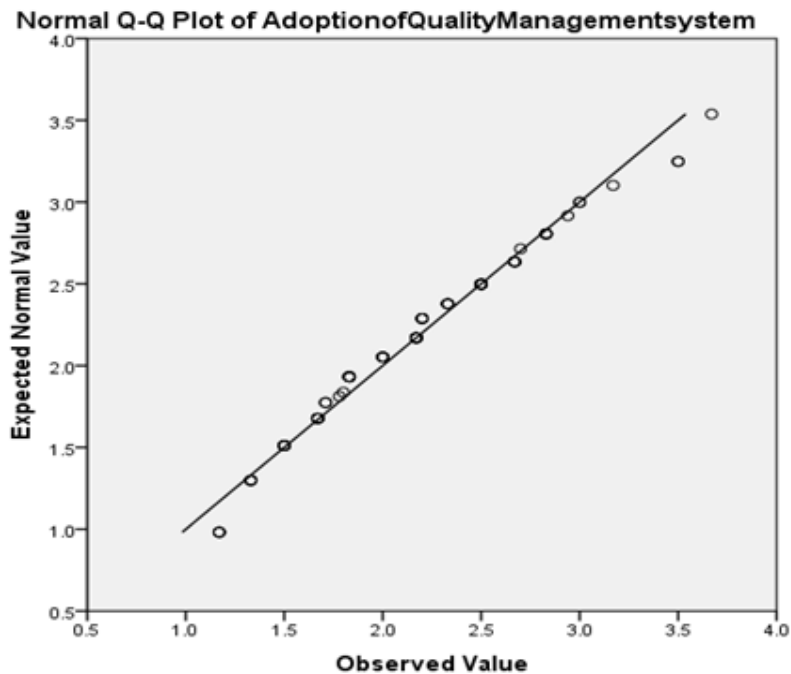


Table 3 presents the goodness of fit for the independent variable; human resource information system in determining adoption of QMS. Regression was done to analyze the significance of the independent variable (human resource information system) in the adoption of quality management systems. This is supported by the R square of 0.163 which indicates

that 16.3% of the variances in the adoption of quality management systems are explained by the variances in human resource information system. The correlation coefficient of 40.4% indicates that the combined effect of human resource information system have a strong and positive correlation with adoption of QMS.

Table 3: Model Fitness for HRIS

Indicator	Coefficient
R	0.404
R Square	0.163
Std. Error of the Estimate	0.54143

Table 4 provides the analysis of variance of the independent variable; human resource information system. Results indicate that the overall model was significant as indicated by a probability value of 0.001.

The probability value is lower than the conventional value of 0.05 which determines significance. The significance was further supported by an F statistic of 13.043

Table 4: Analysis of Variance for Human Resource Information System

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	3.824	1	3.824	13.043	0.001
Residual	19.641	67	0.293		
Total	23.465	68			

Table 5 displays the regression coefficients of human resource information system which is the independent variable. The results reveal that HRIS is statistically significant and has a positive relationship with the

adoption of quality management systems. This is supported by a significant value of 0.001 and a positive beta of 0.356.

Table 5: Human Resource Information System Regression Coefficients

Variable	Beta	Std. Error	t	Sig.
Constant	1.358	0.228	5.945	0.000
Human Resource Information System	0.356	0.098	3.612	0.001

5.0 SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

Summary

Findings indicate that Kenya State Corporations' human resource information systems are not automated, this means the HR processes in such corporations are still manual. Further findings indicate that all employees have not received enough training thus they have little familiarity with the human resource information systems. State Corporations in Kenya have no proper integration of HRIS which has limited the adoption of QMS in the organizations. Inferential statistics indicated that HRIS is very important in ensuring adoption of quality management systems in organizations. Increase in effectiveness in HRIS will positively increase the adoption of quality management systems.

Conclusions

Further conclusions from the study are that State Corporations in Kenya have not automated their HR business processes and still operating manually. Employees lack support from the top management leading to lack of knowledge on the Human Resource Information Systems. The results imply that an improvement in human resource information systems will directly improve their competitiveness and fasten the adoption of quality management systems.

Recommendations

Quality management systems are in many instances adopted by state corporations to satisfy performance contract targets leading to mechanical implementations and use of QMS systems. This nature of QMS implementation creates a lot of operational opaqueness on the side of management and staff in regards to the value of a QMS system. It is therefore recommended to QMS experts to conduct content and construct review of QMS systems with a view to

ensure that implementation rigidities are resolved in order to achieve value for money in such systems. In deed most state corporations have QMS systems in place which do not demonstrate return on investment to customers and by extension to the citizens.

The study provides recommendation to the government as the owners of some companies in the country. There should be change in leadership and board members in companies where the top management do not offer support to the employees and lack commitment in implementation of strategies that focus on organizational development. Further recommendation is for the government to ensure that all business processes are automated to facilitate ease in operations and efficiency. In addition, the government should facilitate sufficient training to the relevant staff on HR automation which is important in adoption of QMS.

Suggested Areas for Further Research

Recommendations for further research arise from the gaps that the study did not address. A replica study is recommended in private owned organizations in order to test whether the conclusions of this study will hold true. Otherwise, another study could examine the same in a company that was once state owned but underwent privatization such as Kengen among others. Further studies could also incorporate other factors that define the role of HR's in adoption of quality management systems. These factors may include; availability of financial resources and technology infrastructure.

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Assessment of Role of HR Outsourcing on Employees' Satisfaction on Organizational Performance in Multinational Companies

¹Emmah Nyarangi

ABSTRACT

The study aim was to assess role of human resource outsourcing on employees' satisfaction on organizational performance in multinational companies. The study objective was to find out the role of HR outsourcing on employees' satisfaction on organizational performance in multinational companies. The study used descriptive statistics research design. The descriptive study targeted 15 multinational companies in Nairobi. Stratified sampling technique was used to select 60 employees from the multinational companies in Nairobi and structured questionnaires administered. Descriptive statistical analysis was conducted: frequencies, percentages, mean and standard deviation. Further, inferential analysis was conducted on variables of interest at 95% confidence level. The study's findings revealed that outsourcing temporary staff is more economical than handling them in house. Outsourcing did give time for the human resource department to concentrate on their core activities and improved overall organizational performance. The study recommended that companies should outsource as it makes them flexible in meeting varied customers' and organizational needs. However, not all human resource functions should be outsourced owing to risk predisposition and vendors should be carefully chosen owing to risk involved.

Keywords: Human Resource, Human Resources Outsourcing, Service Level Agreement

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1.0 INTRODUCTION

According to Banham (2011), Human Resource Outsourcing, though started as a cost reduction move for some companies, has expanded to become a driving force for creating business value. Other advantages are: increased efficiency; access to improved Human Resource information technology systems; improved management information (including human capital metrics); access to Human Resource expertise not available internally; increased flexibility and speed of response, reduced risk and, free HR resources to operate more strategically (Vosbergh, 2007).

According to McKinsey (2008), the global "addressable" outsourcing market was worth \$122 – \$154 billion, of which: \$35-40 retail banking, \$25-35 insurance, \$10-12 travel/hospitality, \$10-12 auto, \$8-10 telecoms, \$8 pharma, \$20-25 is finance, accounting and Human Resource and \$10-15 others. In terms of industry size, India is the leading outsourcing country all over the world, (why outsource to india.com) It has revenues of 10.9 billion USD from offshore outsourcing services. India thus has some 5-6% share of the total Business Process Outsourcing industry, but a commanding 63% share of the offshore component. Besides India, China is also developing as a Human Resource Outsourcing destination. Other locations like Eastern Europe, Phillipines, Morocco, Egypt and South Africa have also emerged to take a share of the outsourcing market (Adsit, 2009).

In Kenya, according to Okello, C.E.O of Consulting International, (Ciuri, 2012), BPO prospects are positive. He points out challenges facing the field in the country and they include; a skewed global market, poor brand recognition and lack of qualified personnel. Okello posits that mushrooming of outsource business and quacks claiming to be consultants have diluted and spoilt the Kenyan BPO market for the professionals who are trying hard to build a name and create trust in their clients. This creates a bad image and keeps investors and potential clients away. Rapid improvement in technology has played a key role in making outsourcing business in Kenya a realistic and profitable affair to many companies. Outsourcing in Kenya has been taken as key strategy to reinvent their business operations (Ngichiri, 2011).

Simiyu (2009) indicates that the competitive pressures on Kenya's organizations are the highest in Kenya's history and in order to continue to be competitive in

the global economy the Human Resource function needs to contribute towards and enhance the competitive position of Kenyan organizations. The Kenyan Human Resource department specifically needs to retain, develop and nurture the human capital of an organization while at the same time significantly reducing the cost of Human Resource service delivery to ensure that this function not only contributes to the competitive position, but also creates a competitive advantage (Makhino, 2006).

However, while it may be advantageous, it introduces certain risks to an organization, including: loss of control; impact on the employer/employee relationship; loss of flexibility; failure to deliver cost benefits; legal or regulatory requirements; and, industrial relations issues (Lawler et al, 2004).

Problem Statement

Modern as well as traditional multinational corporations, large and small-sized, pushed by pressure from shareholders for better financial performance, are now trimming down their employees from their payroll, and thus Human Resource Outsourcing (HRO) is slowly becoming the new buzzword.

According to Wright et al (2004), even in the best of outsourcing situations problems are likely to arise. Despite the role that HRO plays in the contemporary organizations, in Kenya few studies have been done on HRO. Makhino (2006) in a survey study on benefits and challenges of Human Resource outsourcing in commercial banks established that over 50% of banks surveyed have benefited from Human resource outsourcing. However, the benefits outweigh the challenges.

From the foregoing discussions, the findings are very limited to give comprehensive knowledge on how HR outsourcing influences organizational performance of multinational companies in Kenya. The purpose of this study was to investigate the perception of Human Resource outsourcing on organizational performance of selected multinationals in Nairobi.

Objective of the Study

The major objective was to establish the role of HR outsourcing on employees' satisfaction on organizational performance in multinational companies

2.0 LITERATURE REVIEW

Theoretical Review

Social Exchange Theory

Social Exchange Theory (SET) has been used extensively by marketing scholars to explain business-to-business relational exchange (Robert, et al., 2005). Social Exchange Theory exists in many forms today, but all of them are driven by the same central concept of actors exchanging resources via a social exchange relationship, where social exchange is the voluntary transfer of resources between multiple actors. Over time, each party in the exchange relationship compares the social and economic outcomes from these interactions to those that are available from exchange alternatives, which determines their dependence on the exchange relationship. Positive economic and social outcomes over time increase the partners' trust of each other and commitment to maintaining the exchange relationship (Perunović&Pedersen, 2007).

The need for social exchange is created by the scarcity of resources, prompting actors to engage one another to obtain valuable inputs. According to Das and Teng (2002), social exchange can be defined as voluntary actions of individuals who are motivated by return they are expected to bring and typically, in fact, bring from others.

Goal Setting Theory

Hastings (2011) stated that clear goals and appropriate feedback motivates employees. He also went on to

say that when employees worked towards a goal, it spearheaded a major source of motivation within the employees to actually reach the goal. Locke's study also threw light on the relationship between goals and performance. According to his study, specific and difficult goals conduced to better results and performance as compared to vague, randomly set or easy to do goals. Hastings (2011) suggests that not only does the assignment of specific goals result in enhanced performance but that, assuming goal acceptance, increasing the challenge or difficulty of goals leads to increased motivation and increases in performance.

Empirical Literature Review

Metty (2006) believes that BPO needs to contribute to the organization's competitive advantage, for it to be successful. According to her a significant benefit is realized when a BPO agreement ensures that organizations have access to the early adoption of new technology. Pearson and Lyons (2003) believe a key benefit that should be sought from any form of outsourcing is that all aspects of the value chain are globally competitive as a result of the outsourcing.

Aldisert (2002) suggests that outsourcing enables companies to focus their development initiatives on developing employees in the organization's core competencies, leading to the growth in the competencies that are critical to the organization's competitive position.

Conceptual Framework

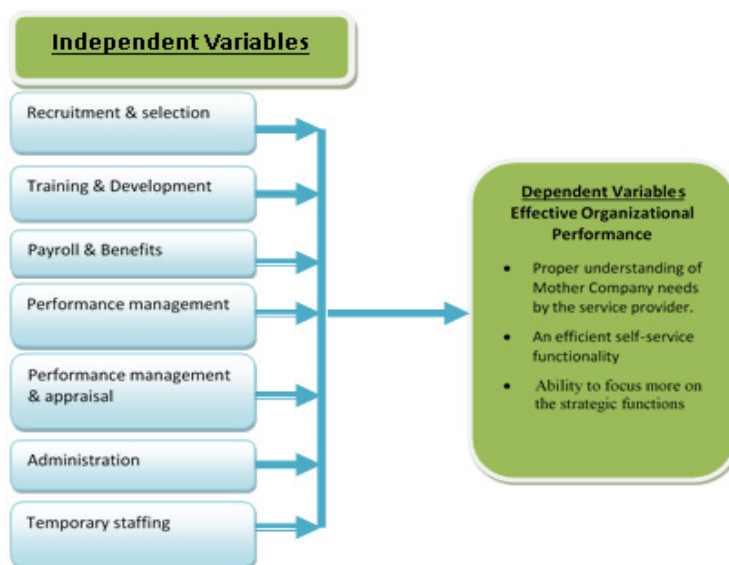


Figure 1: Conceptual framework

3.0 RESEARCH METHODOLOGY

Descriptive research design was used to conduct the study in 15 multinational companies in Nairobi.

Table 1 Target Population

Stratum	Population(N)	Sample
HR Department	90	30
Finance Department	320	30
Grand Total	410	60

Questionnaires were used to collect data, Qualitative data was obtained through open-ended questions. Prior to the actual data collection a pilot study of 30 subjects was conducted pre-testing the research instrument. From the results, clarity of the instrument's items was enhanced so as to ensure instrument's validity and reliability besides enabling researcher's familiar with administration procedures of the instrument. The questionnaire was validated by Professor E. Role, reliability of the study was tested using Cronbach Alpha after a pilot study of 30 subjects not included in the sample. This was determined against a Cronbach's Alpha threshold of 0.6; values above the threshold signified reliability (Nunnally, 1978). The Statistical Package for Social Sciences (SPSS) was used as a tool to generate the frequencies and percentages that were used in excel tabulations. The data was presented

The population was 410 employees. Sampling was not done at the organizational level but rather at the employee level. A sample of 60 was selected using a stratified systematic sampling technique.

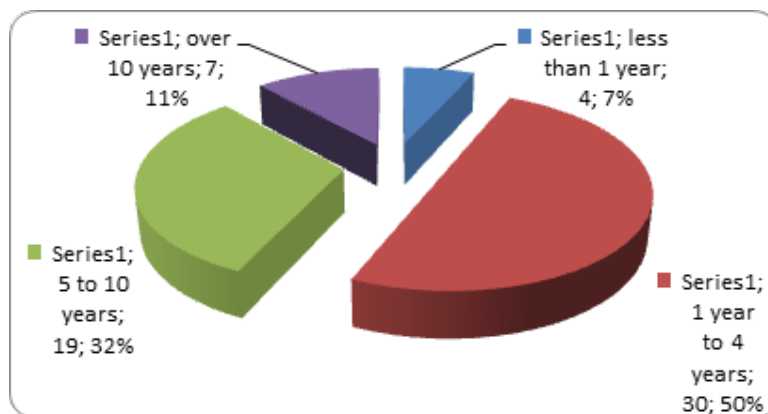
using data tables and charts.

4.0 RESULTS AND DISCUSSIONS

Demographic Characteristics

Number of Years Worked

The respondents were asked to indicate the number of years they had worked for their current employers. Figure 2 which presents the findings shows that: 50% of the respondents had worked in their current companies for 1 to 4 years; 32% of the respondents had worked for 5 to 10 years; 11% had worked for over 10 years; and, 7% had worked for less than a year. This implies that majority of the respondents (61%) had worked for at most 4 years.



Number of Employees

The study sought to establish the number of employees that were in each sampled multinationals' Nairobi branch as a proxy for the size of each. From the findings presented in Figure 3, 46% of the multinationals had 51 to 100 employees and 27% had below 50 employees.

Additionally, 10% of the multinationals had more than 200 employees and 5% had 101 to 150 employees. This illustrates that majority (73%) of the multinationals had under 100 employees of which most had at least 50 employees.

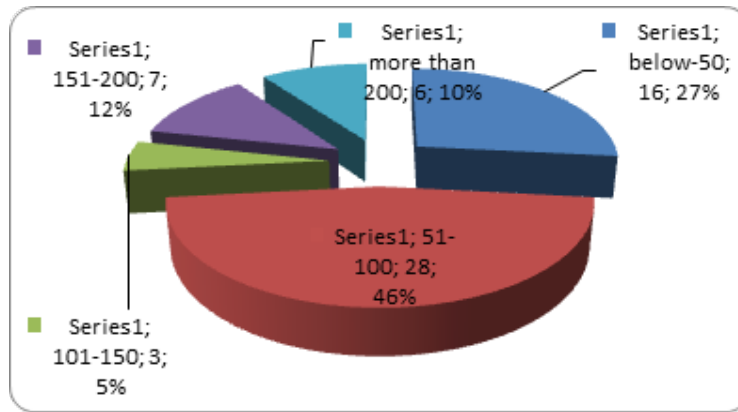


Figure 3: Number of Employees

Level of Education

The respondents were required to indicate the highest level of education they had attained and the results presented in Figure 4. From the findings, 48% of the

respondents had master degrees, 47% had bachelors and 5% were diploma or certificate holders. This depicts that majority of the respondents were at least graduates.

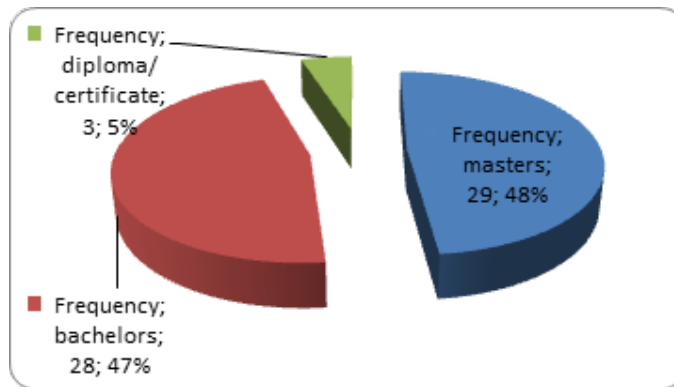


Figure 4: Level of Education

Geographical Area

The respondents were required to indicate the geographical area or niche that the multinationals served. From findings presented in Figure 5, 87% served international markets while 13% served

regional market. Thus, majority of the multinationals served the international market; that is, were not limited to regional market. This depicts that most of the multinationals have a wide geographical coverage.

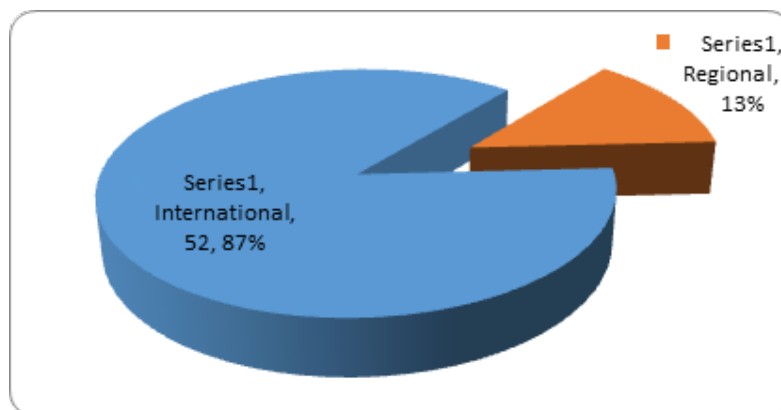


Figure 5: Geographical Area

Descriptive Statistics

Employee Satisfaction with HR Outsourcing

The respondents were required to indicate their levels of satisfaction with the HR activities currently outsourced. A 4-point Likert scale was employed in the analysis; very dissatisfied was accorded 1 point, dissatisfied 2 points, satisfied 3 points and very satisfied was accorded 4 points. The analysis results are presented in Table 2.

On the ability to have internal staff focus more on strategy, 45.0% of the respondents were satisfied, 15.0% were very satisfied, 35.0% were dissatisfied and 5% of the respondents were very dissatisfied. The study established a weighted mean of 2.7 which signifies that the multinationals were generally satisfied with the ability to have internal staff focus more on strategy. Gupta (2008) states that pressure from dynamic market conditions and market uncertainty have caused Multination organizations to focus on core competencies and outsource functions in which they lack expertise in order to show profitability maintain effective cost structures and improve on accomplishing the strategic aspect of the business.

On the level of improvement in self-service functionality, 53.3% of the respondents were satisfied,

6.7% were very satisfied and 40.0% of the respondents were dissatisfied. A weighted mean of 2.67 was established. This depicts a general satisfaction with the level of improvement in self-service functionality. Many agencies nowadays have a standardized mode of service for all their contractors and clients. This has been made possible by automation of processes that have made these employee services self-service. E.g. leave authorization, holiday requests, online pay-slips, online appraisals and reviews etc. they are all done at a click of a button from anywhere as long as you are logged into the system. This has reduced paperwork and tedious processes and long waits for approval signatures as well as improving on accuracy.

On the change in service quality to employees, 50.0% of the respondents were satisfied, 5.0% were very satisfied and 45.0% of the respondents were dissatisfied. A weighted mean of 2.6 was established. Thus, the respondents were satisfied with the change in service quality to employees. According to Lawler et al (2004) Employees react to how something is handled, as well as to the result. In some cases, the how is more important than the what. A person might get the service he or she needs yet be very unhappy with the manner in which it was given. Both the process and result are employee satisfaction issues.

Table 2. Employee Satisfaction with HR Outsourcing

Statement	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied	Mean
Ability to have internal staff focuses more on strategy	5.0%	35.0%	45.0%	15.0%	2.7
Level of improvement in self-service functionality?	0.0%	40.0%	53.3%	6.7%	2.67
Change in service quality to employees?	0.0%	45.0%	50.0%	5.0%	2.6
Reduction in direct costs?	18.3%	66.7%	13.3%	1.7%	1.98
Reduction in indirect costs?	18.3%	55.0%	21.7%	5.0%	2.13
OVERALL impact on the organization?	0.0%	35.0%	60.0%	5.0%	2.7
Organization does not outsource any HR practices	15.0%	18.3%	51.7%	15.0%	2.67
Average Likert Mean					2.49

Employees feel left out if just a section of them are outsourced; feel like they lost a sense of belonging, the findings to this statement show that 55.0% of the respondents agreed, 28.3% of the respondents strongly agreed, 15.0% of the respondents disagreed and 1.7% of the respondents strongly disagreed. A weighted mean of 3.1 was established. Thus, employees do feel left out if just a section of them are outsourced. Business news Daily, (2010, July 13) talks about how outsourcing and temps make for grumbling workers. If a section of employees are outsourced to an agency that does not give them services that match up to the services the in-house employees are receiving, they tend to have a sense of dissatisfaction and lack the feeling of belonging to the mother company. The outsourcing trend affects employees through the loss of permanent employment and results in an increasing number of part-time and contract workers who are not happy with the state of affairs, typically earning less pay than permanent workers and without health, life, short- and long-term disability, and retirement benefits Charara, (2004).

To the statement 'performance increases once employees are placed under a professional service provider' the findings show that 46.7% of the respondents agreed, 3.3% of the respondents strongly agreed and 50.0% of the respondents disagreed with the statement. A weighted mean of 2.53 was established which implies that performance increase once employees are placed under a professional service provider is neither here nor there. This concurs with the Research executive summary series by the Chartered Institute of Management Accountants Vol.4 Issue 3; which says that as much as outsourcing is an increasingly popular method of achieving performance improvement, the results have been mixed. Some organizations have not been able to achieve their anticipated benefits from the outsourcing initiative and have instead experienced outsourcing failure, whereas there are those that have reaped the benefits of outsourcing

5.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Outsourcing increases efficiency of HR department and functions and employee performance, this is owed to cost optimization from HR outsourcing, and the quality and efficient services offered by the vendor due to their specialization. Employees are motivated by professional services offered by outsourcing agents

and their performance increases once placed under a professional service provider.

It can therefore be concluded that outsourcing enhances performance of the multinationals as they only concentrate on their core business and functions. Outsourcing temporary staff is more economical than handling them in house.

Recommendation

The study therefore recommends a clear understanding of the nature of the processes before they embark on the outsourcing process for a supplier successful performance management. Detailed requirements analysis will allow an effective service level agreement to develop, and this can be used to measure supplier performance.

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The Effect of Human Resource Management Practices on the Service Delivery of Public Institutions: A Cases Study of Baringo Municipal Council

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ABSTRACT

The purpose of this study was to assess the effect of human resource management practices on the service delivery of public institutions. The research design was descriptive. Random sampling technique was used to select the sample. The sample size was 43 from a population of 54 staff working at the council. Information was collected using a questionnaire. Data was analyzed using Statistical Package for Social Sciences (SPSS) and result presented in frequency tables. Descriptive statistics was used to illustrate the responses. Results indicated that training efforts at the council were low, recruitment and selection practices were lowly emphasized at the municipal council, compensation and manpower succession planning practices were lowly emphasized at the council. Results further revealed that service delivery by the public officers was poor. The study recommended that training be emphasized at municipal council as it has an effect on the overall achievement of service delivery, that the organization needs to emphasize and encourage self or employee development by providing opportunities to employees to improve their knowledge, awareness, and develop their talents and that the organization needs to emphasize and support career guidance and mentoring as this will help improve employees self-esteem and job satisfaction.

Keywords: Recruitment and selection practices, service delivery, training and development practices, compensation practices, manpower and succession planning practices.

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1.0 INTRODUCTION

Background of the Study

African countries operate in a dynamic global environment and often, as changes happen elsewhere, developing countries move in stride to adopt, adapt and to accommodate the new developments. The 1990s was when the new concept of Human Resource Management was introduced in Africa. Personnel management departments and units were changed into human resource functionary units, but mostly without any significant changes in people management practices. The mainstream literature propounds that human resource management is a result of the evolution of Personnel Management. In response to the changes in the management and business environment, human resources management had to assume a strategic role rather than an administrative or operational role associated with the more traditional approach(Beaumont,1992;Schuler and Huber, 1993). The literature on Human Resource Management identifies four characteristics which distinguish Human Resource Management, giving it an 'architect' role, from traditional personnel management: integration of human resource policies and practices with organizational strategies, a holistic; coordinated approach to policies and practices for managing people at work; a primary focus on the individual employee as opposed to the collective relations within the organizations; strong organizational value and culture emphasizing a sustainable match between the values of employees and the organization, whereby key elements of HR add value to the organization and returns on investment is simultaneously achieved (Storey, J. 1992).

Statement of the Problem

The changing role of the State as well as new international forces have resulted in the need for new skills, attitudes and behaviors among public officials at all levels. It is not surprising then that the core competencies for the public sector of the 21st century differ in many ways from the past, especially as the demands placed on public servants, in terms of skills, knowledge and capacities, are rapidly increasing and becoming more complex. What is more, top government leaders in developing countries are still facing old challenges, while at the same time, they also have to address new ones, which have resulted from the many social, economic and political changes sweeping throughout the world. The problem is that

the service delivery of public institutions has been poor. In addition, there exists a trend of frequent strikes by the employees of the public institutions which is a sign of poor human resource management practices. The doubt we wish to clear is whether the human resource management practices had any influence on the poor service delivery. Every government ministry has a fully-fledged human resource department discharging the functions of recruitment and selection, training and development, manpower planning and succession and, employee compensation. Despite carrying out all these functions by these human resource departments, service delivery remains the poorest in the public-sector institutions. This study therefore seeks to determine the extent to which human resources management practices affect service delivery, since ideally these practices are critical in meeting the capacity challenge of the state, which is to deliver effective and efficient service deliver. For purposes of this study a case study of Baringo municipal council is considered.

Objective of the Study

The objective of the study was to assess the effect of human resource management practices on the service delivery of public institutions.

2.0 LITERATURE REVIEW

Theoretical Review

Motivation Theory

Shortly after Fritz Roethlisberger published his 1941 book 'Management and Morale', outlining in detail the Hawthorn studies, Abraham Maslow published "A Theory of Human Motivation" in 1943. Maslow is considered the father of needs based motivation theory and his theory is "one of the best-known and most widely cited works on motivation" (Artley, 2001). Maslow (1946) proposed a five-level hierarchy of needs which he outlined as necessary for the achievement of a completely satisfied individual; or in his terms, a self-actualized being. Those needs are: physiological, safety, love, esteem, and self-actualization.

The theory of motivation may be used to explain the soft elements that contribute to the human resource management practices on the service delivery. For instance, the theory may use the reward structure to explain why the human resource/work force employed to manage the service delivery do not put extra effort in addressing the public institutions.

Empirical Review

All public institutions need people to enable them to achieve institutional goals and objectives and the means to this is recruitment. Therefore, recruitment can be regarded as central to the state's capacity to deliver on its mandate, which is to deliver services to the people of the Republic of South Africa. In the absence of effective recruitment policies and practices the state is likely to fail to deliver quality service, especially to the poor. It is the intention of this study to evaluate the recruitment policies and practices on the selection of most qualified and competent candidates in the Department of Public Service and Administration (DPSA)

A study conducted by the Public Service Commission pointed out the causes of some of the problems that have manifested themselves in the form of appointees that fail to perform against the requirements of the job (Republic of South Africa 2007:73). Contrary to the view that nepotism is the root of the problem, as incompetent persons are appointed over more deserving ones, it was found that most departments lack policies and procedures on recruitment and selection. A lack of such policies result in flawed recruitment and selection processes of staff, and difficulties in recruiting women and people with disabilities (Republic of South Africa 2007:73-74).

Training, in the most simplistic definition, is an activity that changes people's behavior (Zwick, 2006). Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald, 2008) because few people come to the job with the complete knowledge and experience necessary to perform their assigned job. Increased productivity is often said to be the most important reason for training (Zwick, 2006). But it is only one of the benefits. Training is essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs (Zwick, 2006).

Faems, et al. (2005) lists the following as general benefits from employee training: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products, reduced employee turnover.

This is only a partial listing of the many benefits that result from training. Training that is appropriate to the needs of an organization can add great value.

Compensation plays an important role in global, complex organizations. Whether compensation is used to differentiate an organization from its competitors, to underscore internal consistency from country-to-country, or to drive performance of the organization during economic downturns, compensation's role will continue to evolve and expand.

Compensation processes are based on Compensation Philosophies and strategies and contain arrangement in the shape of Policies and strategies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation (Bob, 2011). This constitutes measuring job values, designing and maintaining pay structures, paying for performance, competence and skill, and providing employee benefits. However, compensation management is not just about money. It is also concerned with that non-financial compensation which provides intrinsic or extrinsic motivation (Bob, 2011).

The term workforce planning is a relatively new one but can be used interchangeably with older terms such as 'human resource planning', the latter term often being more common in the private sector (CIPD, 2010a). In the past workforce planning was predominantly known as 'manpower planning'. Although still used occasionally, there has been a move away from this latter term due to its gender-unequal connotation and because it suggests a mechanistic quantitative approach to thinking about the workforce (Reilly, 1996). Whereas manpower planning focused in the main on headcount, workforce planning also incorporates consideration of the organization and competencies of employees.

3.0 RESEARCH METHODOLOGY

The research design was descriptive. Random sampling technique was used to select the sample. The sample size was 43. Information was collected using a questionnaire. Data was analyzed using Statistical Package for Social Sciences (SPSS) and result presented in frequency tables. Descriptive statistics was used to illustrate the responses.

4.0 DATA ANALYSIS AND DISCUSSION

General Information

Gender of Respondents

The study sought to establish the gender distribution of the respondents. The findings were presented in figure 1

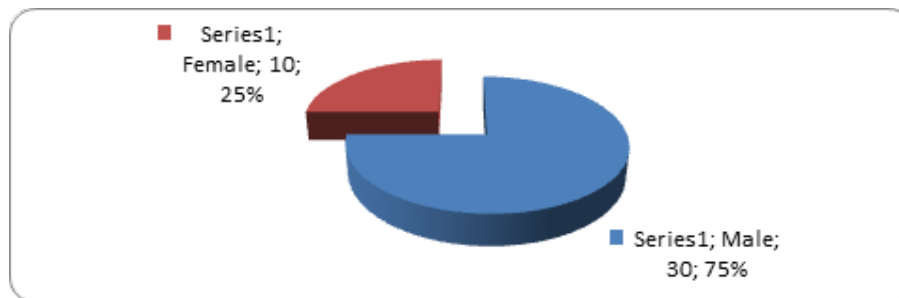


Figure 1: Gender of the respondents

From the study findings, (75%) were male and (25%) were female. These findings imply that the organization gender was predominantly male.

The study sought to establish the age brackets of the respondents. The findings were presented in figure 2

Age Bracket of the Respondents

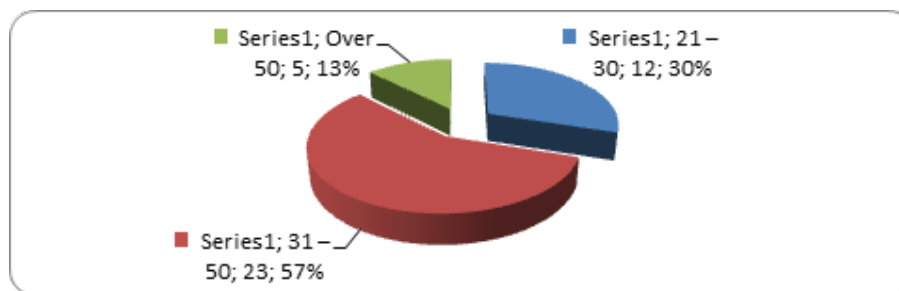


Figure 2: Age Bracket of the Respondents

As illustrated in figure2, the findings revealed that a majority (57%) of respondents were aged between 31-50 years, followed by (30%) respondents whose age was between 21 to 30 years, while 13% of respondents represented those who were over 50 years. The finding implies that the respondents of the study were mature and probably ready to retire in the next decade. This

further implies that succession planning at the council should be taken into consideration.

Level in the Organization

The study sought to establish the level of management of the respondents. The findings were presented in figure 3.

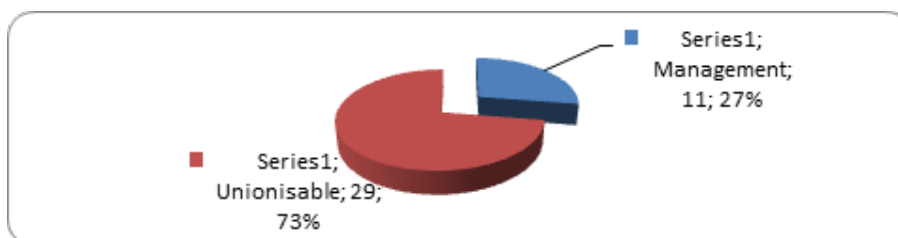


Figure 3: Level in the Organization

Figure 3 reveals that 73% of the respondents are unionisable, while 27% are in management level. The findings imply that since the respondents were unionisable, their responses were not biased and represented the true picture of the organization.

Recruitment Practices

The study sought to establish the effect of recruitment and selection practices on the service delivery of Baringo municipal Council.

Table 1: Recruitment Practices

	Strongly disagree	Disagree	Neither agree not disagree	Agree	Strongly agree
The council conducts comprehensive interviews before hiring	3, 7.5%	23, 57.5%	5, 12.5%	9, 22.5%	0, 0.0%
Appropriately qualified staff occupy all key positions in the council	4, 10.0%	24, 60.0%	6, 15.0%	6, 15.0%	0, 0.0%
Vacant positions are advertised for competitive selection of qualified candidates	2, 5.0%	20, 50.0%	7, 17.5%	6, 15.0%	5, 12.5%
Employees are recruited on merit based on qualifications and work experience	3, 7.5%	21, 52.5%	6, 15.0%	5, 12.5%	5, 12.5%

Results in table 1 revealed that majority (57.5%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 65% of those who disagreed with the statement that the council conducts comprehensive interviews before hiring. Meanwhile 22.5% agreed, and 12.5% neither agreed nor disagreed and none of the respondents strongly agreed with the statement. It is therefore possible that people with low qualifications were hired since interviews were not competitive and comprehensive.

The findings further indicated that majority (60%) of the respondents disagreed while another 10% strongly disagreed bringing to a total of 70% of those who disagreed with the statement that appropriately qualified staffs occupy all key positions in the council. Meanwhile 15% agreed, and another none of the respondents strongly agreed and 15% neither agreed nor disagreed with the statement.

In addition, majority (50%) of the respondents

disagreed while another 5% strongly disagreed bringing to a total of 55% of those who disagreed with the statement that vacant positions are advertised for competitive selection of qualified candidates. Meanwhile 15% agreed, and another 12.5% strongly agreed and 17.5% neither agreed nor disagreed with the statement.

Finally, the findings indicated that majority (52.5%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 60% of those who disagreed with the statement that employees are recruited on merit based on qualifications and work experience. Meanwhile 12.5% strongly agreed, and another 12.5% agreed and 15% neither agreed nor disagreed with the statement.

Correlation between Recruitment Practices and Service Delivery

The study sought to establish whether recruitment practices influences service delivery.

Table 2: Correlation between Recruitment Practices and Service Delivery

		Service Delivery	Recruitment
Service Delivery	Pearson Correlation	1	.941**
	Sig. (2-tailed)		.000
	N	40	40
Recruitment	Pearson Correlation	.941**	1
	Sig. (2-tailed)	.000	
	N	40	40

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

Results in table 2 revealed that there was a positive and significant relationship between recruitment practices and service delivery. This was supported by (R) was 0.941 (p value 0.000),

Training and development practices

The study sought to establish the effect of training

and development practices on the service delivery of Baringo municipal Council.

Table 3: Training and development practices

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
The council has invested in training and development of its work force	3, 7.5%	27, 67.5%	7, 17.5%	3, 7.5%	0, 0.0%
The council has sponsored its staff for diploma and university courses	2, 5.0%	27, 67.5%	5, 12.5%	4, 10.0%	2, 5.0%
Every new employee receives Induction Training	3, 7.5%	21, 52.5%	7, 17.5%	7, 17.5%	2, 5.0%
Training and development is based on capacity, needs and capacity objectives	2, 5.0%	16, 40.0%	11, 27.5%	7, 17.5%	4, 10.0%

Results in table 3 revealed that majority (67.5%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 75% of those who disagreed with the statement that the council has invested in training and development of its work force. Meanwhile 7.5% agreed, and none strongly agreed and 17.5% neither agreed nor disagreed with the statement.

The findings further indicated that majority (67.5%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 72.5% of those who disagreed with the statement that the council has sponsored its staff for diploma and university courses. Meanwhile 10% agreed, and another 5% strongly agreed and 12.5% neither agreed nor disagreed with the statement.

In addition, majority (52.2%) of the respondents disagreed while another 7.5% strongly disagreed

bringing to a total of 60% of those who disagreed with the statement that every new employee receives Induction Training. Meanwhile 17.5% agreed, and another 5% strongly agreed and 17.5% neither agreed nor disagreed with the statement.

Finally, the findings indicated that majority (40%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 45% of those who disagreed with the statement that training and development is based on capacity, needs and capacity objectives. Meanwhile 10% strongly agreed, and another 17.5% agreed and 27.5% neither agreed nor disagreed with the statement.

Correlation between Training and Development Practices and Service Delivery

The study sought to establish whether training and development practices influence service delivery.

Table 4: Correlation between Training and Development Practices and Service Delivery

		Service Delivery	Training
Service Delivery	Pearson Correlation	1	.910**
	Sig. (2-tailed)		.000
	N	40	40
Training	Pearson Correlation	.910**	1
	Sig. (2-tailed)	.000	
	N	40	40

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

Results in table 4 revealed that there was a positive and significant relationship between training and development practices and service delivery. This was supported by (R) was 0.910 (p value 0.000),

Compensation practices

The study sought to establish the effect of compensation

practices on the service delivery of Baringo municipal Council.

Table 5: Compensation practices

	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly agree
The municipal council pays adequate salaries	2, 5.0%	24, 60.0%	6, 15.0%	4, 10.0%	4, 10.0%
The employee benefits are better as compared to other organizations in similar category	3, 7.5%	24, 60.0%	7, 17.5%	5, 12.5%	1, 2.5%
The council remuneration is based on experience and qualifications	2, 5.0%	26, 65.0%	6, 15.0%	6, 15.0%	0, 0.0%

Results in table 5 revealed that majority (60%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 65% of those who disagreed with the statement that the municipal council pays adequate salaries. Meanwhile 10% agreed, and another 10% strongly agreed and 15% neither agreed nor disagreed with the statement.

The findings further indicated that majority (60%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 67.5% of those who disagreed with the statement that the employee benefits are better as compared to other organizations in similar category. Meanwhile 12.5% agreed, and another 2.5% strongly agreed and 17.5% neither agreed nor disagreed with the statement.

In addition, majority (65%) of the respondents

disagreed while another 5% strongly disagreed bringing to a total of 70% of those who disagreed with the statement that the council remuneration is based on experience and qualifications. Meanwhile 15% agreed, and none of the respondents strongly agreed and 15% neither agreed nor disagreed with the statement.

Correlation between Compensation Practices and Service Delivery

The study sought to establish whether compensation practices influence service delivery. Results in table 6 revealed that there was a positive and significant relationship between compensation practices and service delivery. This was supported by (R) was 0.804 (p value 0.000)

Table 6: Correlations between Compensation Practices and Service Delivery

		Service Delivery	Compensation
Service Delivery	Pearson Correlation	1	.804**
	Sig. (2-tailed)		.000
	N	40	40
Compensation	Pearson Correlation	.804**	1
	Sig. (2-tailed)	.000	
	N	40	40

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

Manpower and Succession Planning Practices

The study sought to establish the effect of manpower and succession planning practices on the service delivery of Baringo municipal Council.

Table 7: Manpower and succession planning practices

	Strongly disagree	Disagree	Neither agree not disagree	Agree	Strongly agree
The council has a policy on succession planning	3, 7.5%	19, 47.5%	8, 20.0%	10, 25.0%	0, 0.0%
The council conducts HR audits	2, 5.0%	27, 67.5%	7, 17.5%	4, 10.0%	0, 0.0%
The council engages HR professionals to provide consults services in succession planning	3, 7.5%	22, 55.0%	7, 17.5%	4, 10.0%	4, 10.0%
The council plans for the adequacy of staff in terms of quantity and qualification	2, 5.0%	20, 50.0%	6, 15.0%	8, 20.0%	4, 10.0%

Results in table 7 revealed that majority (47.5%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 55% of those who disagreed with the statement that the council has a policy on succession planning. Meanwhile 25% agreed, and none of the respondents strongly agreed and 20% neither agreed nor disagreed with the statement.

The findings further indicated that majority (67.5%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 72.5% of those who disagreed with the statement that the council conducts HR audits. Meanwhile 10% agreed, and 17.5% neither agreed nor disagreed with the statement.

In addition, majority (55%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 62.5% of those who disagreed with the statement that the council engages HR

professionals to provide consults services in succession planning. Meanwhile 10% agreed, and another 10% strongly agreed and 17.5% neither agreed nor disagreed with the statement.

Finally, the findings indicated that majority (50%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 55% of those who disagreed with the statement that the council plans for the adequacy of staff in terms of quantity and qualification. Meanwhile 10% strongly agreed, and another 20% agreed and 15% neither agreed nor disagreed with the statement.

Correlation between Manpower and succession planning practices and Service Delivery

The study sought to establish whether manpower and succession planning practices influence service delivery.

Table 8: Correlations between Manpower and succession planning practices and Service Delivery

		Service Delivery	Manpower
Service Delivery	Pearson Correlation	1	.902**
	Sig. (2-tailed)		.000
	N	40	40
Manpower	Pearson Correlation	.902**	1
	Sig. (2-tailed)	.000	
	N	40	40

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

Results in table 8 revealed that there was a positive and significant relationship between manpower and succession planning practices and service delivery. This was supported by (R) was 0.902 (p value 0.000)

Service Delivery

The study sought to determine the level of service delivery by the Baringo municipal council.

Table 9: Service Delivery

	Strongly disagree	Disagree	Neither agree not disagree	Agree	Strongly agree
The council offers adequate health facilities	2, 5.0%	25, 62.5%	7, 17.5%	6, 15.0%	0, 0.0%
The council offers adequate parking facilities	2, 5.0%	26, 65.0%	7, 17.5%	2, 5.0%	3, 7.5%
The council offers adequate education/ school facilities	3, 7.5%	17, 42.5%	12, 30.0%	8, 20.0%	0, 0.0%
The council offers adequate lighting facilities	3, 7.5%	24, 60.0%	7, 17.5%	6, 15.0%	0, 0.0%

Results in table 9 revealed that majority (62.5%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 67.5% of those who disagreed with the statement that the council offers adequate health facilities. Meanwhile 15% agreed, and another 17.5% neither agreed nor disagreed and none of the respondents strongly agreed with the statement.

The findings further indicated that majority (65%) of the respondents disagreed while another 5% strongly disagreed bringing to a total of 70% of those who disagreed with the statement that the council offers adequate parking facilities. Meanwhile 17.5% neither agreed nor disagreed, and another 5% agreed and none of the respondents strongly agreed with the statement.

In addition, majority (42.5%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 50% of those who disagreed with the statement that the council offers adequate education/ school facilities. Meanwhile 20% agreed, and another 30% neither agreed nor disagreed and none of the respondents strongly agreed with the statement.

Finally, the findings indicated that majority (60%) of the respondents disagreed while another 7.5% strongly disagreed bringing to a total of 67.5% of those who disagreed with the statement that the council offers adequate lighting facilities. Meanwhile 15% agreed, and another 17.5% neither agreed nor disagreed and none of the respondents strongly agreed with the statement.

5.0 CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Following the study findings, it was possible to conclude that recruitment and selection practices was poor this was arrived at because majority of the respondents scored lowly on recruitment statements. It was also possible to conclude that there was no training offered to employees this was supported by the majority of respondents who disagreed with the training statements. Non-trained employees therefore offer poor services as they lack necessary skills. The study further concludes that there were no good compensation practices in place in the council this demoted employee who then offered poor services. There was also no manpower and succession plan policy in place in the council. It was also possible to conclude that human resource practices (recruitment and selection, training and development, compensation and manpower and succession planning practices) affect service delivery positively.

Recommendations

The study recommended that training be emphasized at the municipal council employees as it has an effect on the service delivery. It was recommended that the management to emphasize on recruitment and selection practices so as to motivate the employees. It was also recommended that the management should emphasize on compensation practices.

In addition, it was recommended that the council to adhere to manpower and succession planning practices to ensure that the employees in the council are fit for various positions. The study recommends further the government through the ministry of state must (1) train and develop its employees (2) emphasize competitive recruitment and selection practices for skilled and quality manpower (3) put in place succession plan, and have (4) an adequate compensation policy, for it to achieve efficient and effective service delivery, as confirmed by this study.

Areas for Further Research

The study recommends for a further investigation to be done on other factors affecting service delivery in private and public organizations for example PESTLE factors (political, economic, social, technological, legal and environmental factors).

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Employee Career Development and Attainment of Balance Scorecard Targets:

A Case Study of National Hospital Insurance Fund

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ABSTRACT

The purpose of this study was to investigate the effect of employee career development to the achievement of Balanced Scorecard (BSC) targets in the National Hospital Insurance Fund (NHIF). The research design was a descriptive case study in nature focusing on NHIF. The population of the study was 1360 staff of NHIF. Stratified random sampling technique was used to select a sample of (136) respondents. Data was collected using a structured questionnaire. Data was coded and entered into Statistical Package for Social Sciences (SPSS). The data was then analyzed in terms of descriptive statistics like frequencies and percentages. Inferential statistics were computed using the Pearson Correlation Analysis. The results were presented in figures and tables. The study concludes that training efforts at NHIF were low, employee development efforts were lowly emphasized at NHIF, and career guidance efforts were lowly emphasized at NHIF. It can also be concluded that performance resulting from training was low. It was also possible to conclude that training had a positive correlation with the effect of training on achieving balance scorecard targets. The study concludes that employee development scores at NHIF were low. In addition, the study concluded that the effect of employee development on attainment of balance score card was low. Overall it was possible to conclude that career guidance efforts were lowly rated indicating that the management of NHIF does not invest in career guidance. It was also possible to conclude that the effect of career guidance on achievement of balance score card targets was poorly rated. The study recommended that training be emphasized at NHIF as it has an effect on the overall achievement of balance scorecard targets, that the organization needs to emphasize and encourage self or employee development by providing opportunities to employees to improve their knowledge, awareness, and develop their talents and that the organization needs to emphasize and support career guidance and mentoring as this will help improve employees self-esteem and job satisfaction.

Key words: career development, balance score card targets, insurance fund.

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1.0 INTRODUCTION

Background of the Problem

The Balanced Scorecard (BSC) is a performance management tool that enables a company to translate its vision and strategy into a tangible set of performance measures. However, it is more than a measuring device. The scorecard provides an enterprise view of an organization's overall performance by integrating financial measures with other key performance indicators around customer perspectives, internal business processes, and organizational growth, learning, and innovation. Kaplan and Norton (1992) describe the innovation of the balanced scorecard as follows: "The balanced score card retains traditional financial measures. But financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation (Kaplan and Norton, 2006; Chia, Goh and Hum, 2009).

The Balanced Scorecard relies on the concept of Strategy developed by Michael Porter (Kaplan and Norton, 2008). Porter argues that the essence of formulating a competitive strategy lies in relating a company to the competitive forces in the industry in which it competes. The scorecard translates the vision and strategy of a business unit into objectives and measures in four different areas: the financial, customer, internal business process and learning and growth perspective (Hubbard, 2009; Hsu and Liu, 2009; Chia et al, 2009). The financial perspective identifies how the company wishes to be viewed by its shareholders. The customer perspective determines how the company wishes to be viewed by its customers. The internal business process perspective describes the business processes at which the company has to be particularly adept in order to satisfy its shareholders and customers. The organizational learning and growth perspective involves the changes and improvements which the company needs to realize if it is to make its vision come true (Pochampally, Gupta & Govindan, 2009; Hubbard, 2009; Hsu & Liu, 2009).

A strategy is a set of hypotheses about cause and effect. The measurement system should make the relationships (hypotheses) among objectives (and measures) in the various perspectives explicit, so that they can be managed and validated. The chain of cause and effect should pervade all four perspectives of a BSC (Kaplan & Norton, 2007; Pochampally et al., 2009; Hubbard, 2009; Hsu & Liu, 2009; Chia et al., 2009). The entire chain of cause-and effect relationships can be established as a vertical vector through the four BSC perspectives relationship: measures of organizational learning and growth, measures of internal business processes, measures of the customer perspective, financial measures. The measures of organizational learning and growth are therefore the drivers of the measures of the internal business processes. The measures of these processes are in turn the drivers of the measures of the customer perspective, while these measures are the drivers of the financial measures. According to Kaplan and Norton a good balanced scorecard should have an appropriate mix of outcomes (lagging indicators) and performance drivers (leading indicators of the business unit's strategy (Kaplan & Norton, 2007; Pochampally et al, 2009; Hubbard, 2009). In line with Kaplan and Norton (2008), organization learning and growth involves training employees and hiring experienced consultants so that they can mentor the existing employees. This implies that employee career development elements (training and education, career guidance interventions such as mentorships and coaching, and employee self-development) are crucial building blocks to the achievement of balances core card performance. Employee career development is seen as the process of managing life, learning and work over the lifespan. It encompasses the provision of services in many different jurisdictions and delivery settings to assist people to gain the knowledge, skills, attitudes and behaviors that help them to manage their career more effectively. Career development programmes enable a deeper focus on an employee's aims and aspirations from identification of the handicaps being faced by an employee in accomplishing his goals to the solutions in terms of re-skilling or reassignment. This focus acts as the significant motivator for an employee to excel and exceed the targets. It facilitates powerful personal and professional development. As per the motivational theories, achievement orientation, growth and development are the basic human needs (Armstrong 2005).

Globally, the importance and challenges of balance scorecard implementation has been acknowledged in various studies. Empirical studies by Ittner and Larcker (2006), Evans and Jack (2006) as well as Davis and Albright (2007) found that proper usage of BSC led to improved financial performance. Other studies including Marr and Adams (2006), and Forza and Salvador (2007 and 2008) noted that usage of BSC promoted other positive effects such as employee satisfaction and understanding of the business. On the other hand, empirical investigations by Handfield and Ghosh (2005), Neely, Kennerley and Martinez (2008), and Malina, Nørreklit and Selto (2005) found no discernible performance improvement. Moreover, theoretical analyses by Nørreklit (2007) as well as Marr and Adams (2008) questioned the key principles behind BSC. Various journal articles and surveys confirm that of all the performance measurement systems, the BSC is the most popular, least criticized and widely implemented. The latest data from Gartner, the Connecticut-based research organization, suggests that over 70 per cent of large US firms had adopted the balanced scorecard by the end of 2004 (Neely, 2006). A recent Bain and Company survey of more than 708 companies on five continents found that BSC was used by 62 per cent of responding organizations (Hendricks et al., 2007).

The use of the balance scored card approach in measuring the performance of NHIF was introduced in the year 2005. In its strategic plan 2005-2010, the Fund refocused its mandate through directing the necessary and available resources in realizing its goals. To achieve this, it was essential to have a competent workforce. The strategies adopted to achieve these goals are: Financial mix restructuring, market penetration, product development and integrated marketing communication. In line with these strategies, the management was committed to putting in place programs and mechanisms that will develop and rationalize resources, embrace modern technology, restructure internal processes and procedures, redesign the organizational structure, rebrand the corporate identity and enhance benefits to members (DPM, 2006).

Further, a monitoring and control mechanism had been worked out to continuously track progress and evaluate performance in line with the recently introduced concept of performance management in the public sector. The various departments, divisions and individuals were tasked with specific

responsibilities upon which they are all appraised. In order to achieve its targets it was essential for the Fund to abide by the training policies and procedures. With this in mind, various departments and individuals were set on training but have still failed to attain set Balance score card targets (DPM, 2006).

1.2 Statement of the Problem

Researchers have identified the factors which affect balance score card performance as financial resources, employee motivation and career development of employees (Kavoo-Linge, Rensburg, Sikalieh, (2010); Ismail and Arokiasamy, 2007; Burke, Burgess and Fallon 2006) . Kavoo-linge et al. (2010) assert that both men and women employees are important in implementing the Balance Scorecard primarily because their skills, knowledge, attitudes (SKA's) and expertise are utilized in the implementation of the Balance Scorecard. Researchers have identified that one of the main factors which affect Balance scorecard is employee career advanced and development. Employee career development affects attempts attainment of BSC targets since it comprises of training, development and career guidance (Hirsh and Jackson, 2005; Hughes et al, 2005; Unwin, 2006; Department for Education and Skills (DfES), 2006; Dessler, 2008; Armstrong, 2010).

NHIF has been experiencing a low Balanced Scorecard attainment. In line with its strategic plan 2005-2010, the management is tasked with putting in place programs and mechanisms that will develop and rationalize resources, embrace modern technology, restructure internal processes and procedures, redesign the organizational structure, rebrand the corporate identity and enhance benefits to members. However, the targets have not been achieved as desired. It is not clear what is causing this low balance score card attainment. It's not clear if employee career development is the cause of this low attainment. A study focusing on NHIF has not been done in Kenya before. This study sought to address this gap by determining if employee training and education, development and career guidance are the ones affecting the Balance Scorecard performance.

Research Objective

The research objective was:

- 1.3.1: To establish if employee training affects balance scorecard attainment at NHIF.

2.0 LITERATURE REVIEW

Introduction

The objective of the study attempts to establish if employee training affects balance score card attainment at NHIF. The importance of training to the attainment of balance score card performance is discussed followed by the identification of various training types and methodologies.

Training and Balance scorecard performance

Training, in the most simplistic definition, is an activity that changes people's behavior (Zwick, 2006). Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald, 2008) because few people come to the job with the complete knowledge and experience necessary to perform their assigned job. Increased productivity is often said to be the most important reason for training (Zwick, 2006). But it is only one of the benefits. Training is essential not only to increase productivity but also to motivate and inspire workers by letting them know how important their jobs are and giving them all the information they need to perform those jobs (Zwick, 2006).

Importance Training on Balance score card Performance

The significance and value of education and training has long been recognized. Consider the popular and often repeated quotation, "Give a person a fish and you feed him for a day. Teach a person to fish and you feed him for a lifetime." This simple but profound saying is attributed to the wisdom of Confucius who lived in the 5th century BC. Given today's business climate and the exponential growth in technology with its effect on the economy and society at large, the need for training is more pronounced than ever (Mcelland, 2007). Faems, et al. (2005) lists the following as general benefits from employee training: increased job satisfaction and morale, increased motivation, increased efficiencies in processes, resulting in financial gain, increased capacity to adopt new technologies and methods, increased innovation in strategies and products, reduced employee turnover. This is only a partial listing of the many benefits that result from training. Training that is appropriate to the needs of an organization can add great value. Training is not always the answer to performance problems. Brandt Sakakeeny, training industry analyst

for Solomon Smith Barney believes that training can be a great investment and training can be a waste of money (Rosner, 1999). Training is indeed a waste of money when the desired behavior does not occur. Gupta (1999) acknowledges that not all performance problems can be addressed by training. In many cases, non-training interventions are necessary (Gupta, 1999). The key is to identify what problems can be attributed to training deficiencies and, once that is accomplished, to insure that the right training is implemented. Without the right training, employees can be the organization's biggest liability. Trained effectively, however, they can become a firm's biggest asset (Bartram & Gibson, 2008). Rosner (2009) adds another ingredient for success – support after training. He states, "The most effective programs train workers in new behaviors and then train managers to support employees as they apply learning daily (Rosner, 2009, p.43). Support and endorsement from management can greatly enhance training results. One can conclude that training is not always the answer, and when it is the answer, it has to be the right training.

A number of studies indicate that employee training has a positive impact on corporate performance. They generally test the hypothesis that, by improving the competency of employees, training also improves their productivity, which is reflected in an improvement in the firm's performance. Betcherman, McMullen and Davidman (2008) concluded that firms that have training programs tended to perform better in terms of productivity, revenues, profitability, viability and prospects. Saks et al. (2008) also found a positive relation between training and productivity, profit, revenue and client satisfaction, a relation that is more significant when the training is accompanied by incentives for the employees. A number of researchers Barrett and O'Connell (2001), Faems, et al. (2005), Zwick (2006) have tried to estimate the impact of training on productivity, whereas other researchers have studied the effect of training on sales (Ahmad & Schroeder 2003, Rodriguez & Ventura 2003, Garcia 2005). For instance, whereas Barrett and O'Connell (2001) found that training can have positive effects on productivity (value added per worker), Garcia (2005) demonstrated that training led to an increase in sales, quality and customer satisfaction.

Other previous studies have examined the influence of training on financial performance indicators such as ROI, ROA, ROE or market shares (Paul & Anantharaman 2003, Bernthal & Wellins 2006).

For example, Paul and Anantharaman (2003) found that training had a positive and significant effect on ROI, whereas Bernthal and Wellins (2006) estimated impact of training on both ROA and ROE indicators. Most of these studies estimated the effects of training not only on financial performance, but also on non financial performance, concurrently. These observations may mean that the estimation results of each study depend on the research purpose of the authors or research projects, performance measure method, and data collected. Various studies have examined the impact of training on non-financial performance as turnover, quality, absenteeism and customer satisfaction. With respect to turnover, Bishop (2007), in his study on newly hires showed that formal training led to lower labour turnover, whereas Krueger and Rouse (2008) reported that reading, writing and mathematics training had a positive effect on turnover. A majority of other studies also found that training had a positive effect on labour turnover. These results suggest that turnover has a powerful effect on employer decisions to provide training to employees. High turnover implies that investment in training for their employees is inefficient because many of those trained moved to other companies. Thus, companies may pay quite a high price for this turnover in terms of lower sales.

Other studies have estimated the impact of training on quality, absenteeism, and customer satisfaction. One possible explanation why these non financial performance indicators were more popular is that when considering the competitive advantages that a firm is thought to possess people usually think about high quality or justifying the customer's needs. Thus, many studies have tried to measure firm performance by these indicators. For instance, Ghebregiorgis and Karsten (2007), and Krueger & Rouse (1998) demonstrated that training had a strong effect on absenteeism rate reduction. Aragon- Sanchez, Barba-Aragon and Sanz-Valle (2003), and Katou and Budhwar (2007) found that training has a positive effect on quality, whereas Ely (2004), reported that training has a significant and positive effect on customer satisfaction. To summarize, it is not surprising that firms invest in training in order to improve both financial and non-financial performance. However, when these studies measure the impact of training on non-financial performance by a subjective method (e.g., workers' reactions to the training, impact of training on workers' behaviour), the results of these studies may not be totally accurate.

Induction Training

Induction training is important as it enables a new recruit to become productive as quickly as possible. It can avoid costly mistakes by recruits not knowing the procedures or techniques of their new jobs. The length of induction training will vary from job to job and will depend on the complexity of the job, the size of the business and the level or position of the job within the business. The following areas may be included in induction training: Learning about the duties of the job, Meeting new colleagues, seeing the layout of the premises, Learning the values and aims of the business, learning about the internal workings and policies of the business (Garcia, 2005).

On-the-job Training

With on the job training, employees receive training whilst remaining in the workplace. The main methods of one-the-job training include: Demonstration / instruction - showing the trainee how to do the job, Coaching - a more intensive method of training that involves a close working relationship between an experienced employee and the trainee, Job rotation - where the trainee is given several jobs in succession, to gain experience of a wide range of activities (e.g. a graduate management trainee might spend periods in several different departments), Projects - employees join a project team - which gives them exposure to other parts of the business and allow them to take part in new activities. Most successful project teams are multi-disciplinary (Horgan & Muhlau, 2006).

Off-the-job training

This occurs when employees are taken away from their place of work to be trained. Common methods of off-the-job training include: Day release (employee takes time off work to attend a local college or training Centre), Distance learning / evening classes, Block release courses - which may involve several weeks at a local college, Sandwich courses - where the employee spends a longer period of time at college (e.g. six months) before returning to work, Sponsored courses in higher education, Self-study, computer-based training (Ghebregiorgis & Karsten, 2007).

3.0 RESEARCH METHODOLOGY

The research was carried out through descriptive case study design that involved the gathering of facts, opinions and views of the employees in the organization about the career development programs. The population of the study was all the 1360 employees of NHIF.

4.0 RESULTS AND FINDINGS

Introduction

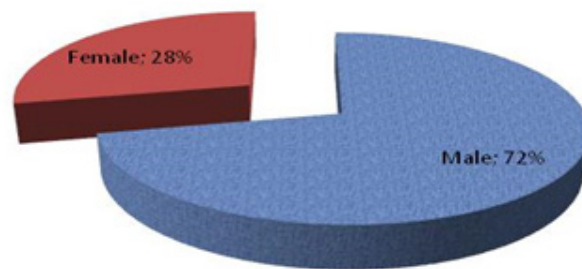
In this chapter, the data collected during the research was analyzed and reported. This study was executed to achieve the stated objective. This chapter looked at the realized sample in comparison to the planned sample, consequently resulting to the response rate derived for the study. The realized sample became a representation of the study's results and findings as per the administered questionnaires administered to the selected respondents. The sample respondents were derived from NHIF. Data collected was presented in

the form of frequency distribution tables, bar graphs and pie charts. A total of 90 responses/Questionnaires were received out of a possible 136 Questionnaires.

General Information

Gender of Respondents

The study sought to establish the gender distribution of the respondents. The findings were presented in figure 1. From the study findings, majority of the respondents (71%) were male and (29%) were female. These findings imply that the organization gender was predominantly male.



Age Bracket of Respondents

The study sought to establish the age brackets of the respondents. The findings were presented in figure 2. As illustrated in figure 2, the findings revealed that a majority (59%) of respondents were aged between 31-50 years, followed by (20%) respondents

whose age was between 21 to 30 years, 10% of the respondents were aged between 10 to 20 years while 11% of respondents represented those who were over 50 years. The finding implies that the respondents of the study were mature and probably ready to retire in the next decade. This further implies that succession planning at NHIF should be taken into consideration.

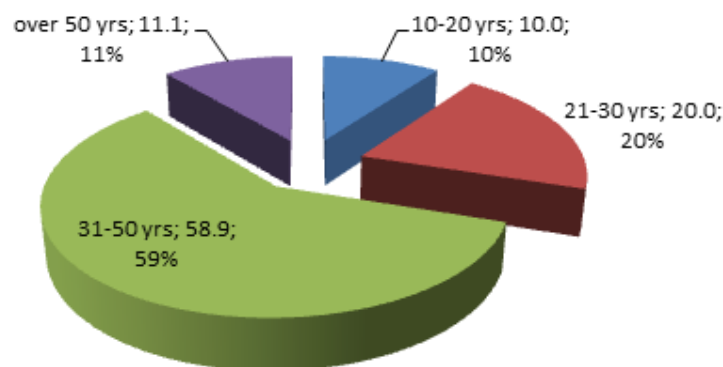


Figure 2: Age Bracket of Respondents

4.2.3 Department of Respondents

The study sought to establish the distribution of the respondents across the organization. The findings were presented in figure 3. The study findings in figure 3 revealed that a majority (29%) of the respondents were in operation and customer service department, followed by 20% who were

in the HR and Administration department, while 19% respondents were in the Standard and Quality Assurance department. The findings also revealed that 14% of the respondents were in the Finance and Control and 10% respondents were from corporate planning. The findings imply that the respondents were well distributed hence concrete and accurate results for the study were obtained.

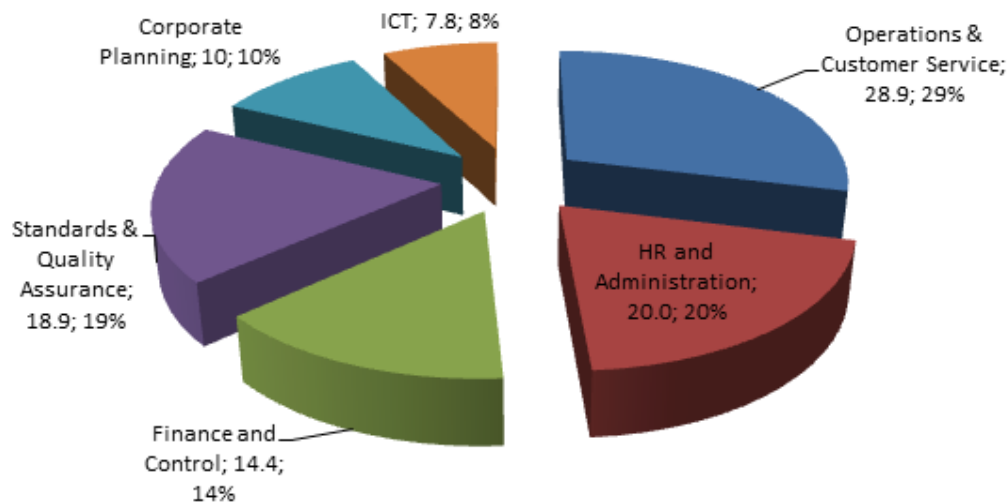


Figure 3: Department of Respondents

Level of Management of the Respondents

The study sought to establish the level of management of the respondents. The findings were presented in figure 4. Figure 4 reveals that a majority 67% of the respondents are unionisable, while 33% are in

management level. The findings imply that since the respondents were unionisable, their responses were not biased and represented the true picture of the organization.

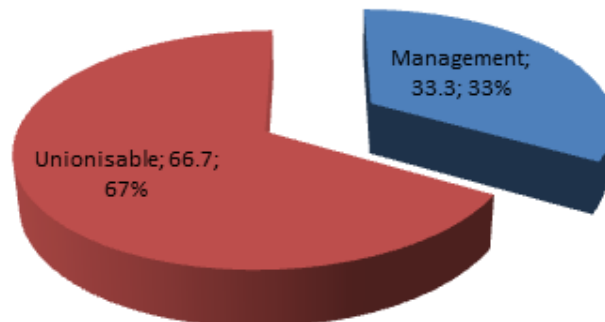


Figure 4: Level of Management of the Respondents

Training and Balance Scorecard Performance

Training

The study sought to establish the level of training undertaken at NHIF. The findings were presented as follows:

Induction Training

Table1: Every New Employee Receives Induction Training.

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	24	27%
Disagree	38	42%
Neither agree nor disagree	20	22%
Agree	8	9%
Strongly Agree	0	0%
Total	90	100%

The respondents were asked if every new employee received induction training. A majority (42%) disagreed while another 27% strongly disagreed bringing to a total of (69%) of those who disagreed. Twenty two percent were neutral and only 9% agreed while none strongly agreed. The results are presented in Table1.

Learning about Job Duties

When the respondents were asked if learning about the job duties was included in induction training, a majority 51% disagreed and 24% strongly disagreed. However, 20% was neutral and only 4% agreed and so none of the respondents strongly agreed. Table 2 indicates these results.

Table 2: Learning about Job Duties

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	22	24%
Disagree	46	51%
Neither agree nor disagree	18	20%
Agree	4	4%
Strongly Agree	0	0%
Total	90	100%

Improving Knowledge about the Organization

The respondents were asked if induction training has improved their knowledge gap about the organization, which has helped them to adjust comfortably to the

work environment. A majority 38% disagreed while 20% strongly disagreed but 27% were neutral. Only 7% agreed while another 9% strongly agreed. The results are presented in Table 3.

Table 3: Improving Knowledge gap about the Organization

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	18	20%
Disagree	34	38%
Neither agree nor disagree	24	27%
Agree	6	7%
Strongly Agree	8	9%
Total	90	100%

Training Programs

When the respondents were asked whether training programs have helped in calculating the sense of team

work, majority 47% of the respondents disagreed and 16% strongly disagreed but 29% were neutral. Only 9% strongly agreed while none agreed. The results are presented in Table

Table 4: Training Programs

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	14	16%
Disagree	42	47%
Neither agree nor disagree	26	29%
Agree	0	0%
Strongly Agree	8	9%
Total	90	100%

Improvement of Morale

The respondents were asked whether through training programs, morale in the organization has improved.

Those who disagreed were 49% another 13% strongly disagreed while 29% respondents were neutral. Only 9% agreed while none strongly agreed. Table 5 indicates these results.

Table 5: Improved of Morale

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	12	13%
Disagree	44	49%
Neither agree nor disagree	26	29%
Agree	8	9%
Strongly Agree	0	0%
Total	90	100%

Job Training

The respondents were asked if they receive on job training, majority 39% disagreed while 13% strongly

disagreed but 34% were neutral. Only 11% agreed and 2% strongly agreed. Table 6 indicates these results.

Table 6: Job Training

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	12	13%
Disagree	35	39%
Neither agree nor disagree	31	34%
Agree	10	11%
Strongly Agree	2	2%
Total	90	100%

Job Rotation

When the respondents were asked if job rotation is practiced at NHIF, majority 39% disagreed and

another 16% strongly disagreed but 30% were neutral. Those who agreed were 13% and only 2% strongly agreed. The results are presented in table 7.

Table 7: Job Rotation

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	14	16%
Disagree	35	39%
Neither agree nor disagree	27	30%
Agree	12	13%
Strongly Agree	2	2%
Total	90	100%

Short Term Trainings inform of Seminars

The respondents were asked whether the organization offers short training in form of seminars. Those who

disagreed were 60%, another 13% strongly disagreed but 16% were neutral. Only 7% agreed while another 4% strongly agreed. The results are presented in Table 8.

Table 8: Short Term Trainings inform of Seminars

Scale	Distribution	
	Frequency	Percent
Strongly Disagree	12	13%
Disagree	54	60%
Neither agree nor disagree	14	16%
Agree	6	7%
Strongly Agree	4	4%
Total	90	100%

Training and Performance

The study sought to establish the effect of training on the level of performance at NHIF. The findings were presented in figure 5. As illustrated in figure 5, the majority 49% of the respondents disagreed that training has led to an increase in financial performance while 24% strongly disagreed with the statement. Forty four percent (44%) respondents disagreed that training has increased their job satisfaction. Furthermore, the findings indicated that 58% respondents disagreed that training has increased innovation in the organization, a majority

41% disagreed that training has increased efficiency in processes, and 44% respondents disagreed that training has led to reduction in employee turnover. Moreover, a majority 47% of respondents disagreed that training has led to reduction in employee absenteeism and 33% respondents disagreed with the statement that training has led to an increase in customer satisfaction.

The findings imply that the balance scorecard performance was low. This further implies that the organization may have failed to achieve the balance scorecard targets.

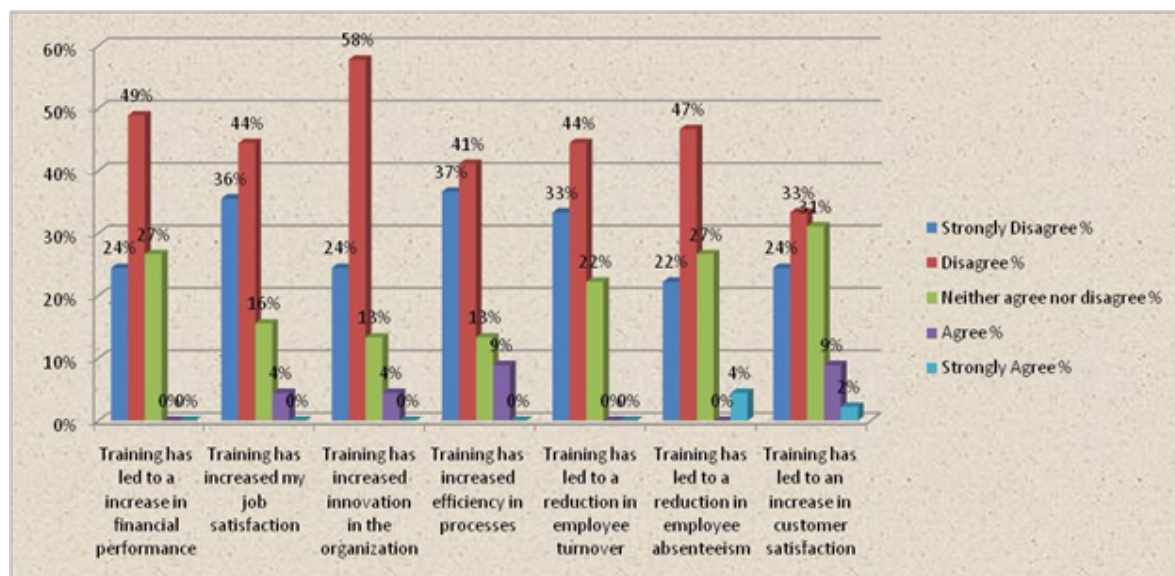


Figure 5: Performance.

Correlation of Training and Performance

The study sought to establish the effect of training on the achievement of balance score targets. Results in Table 9 revealed that the correlation between training and financial performance was positive but insignificant ($R= 0.166, > 0.05$). The correlation between training and job satisfaction was positive and significant ($R= 0.323, < 0.01$). The correlation between training and innovation was positive and significant ($R= 0.075, < 0.05$). The correlation between training and efficiency was positive and significant ($R= 0.465, < 0.01$). The correlation between training and reduction in employee turnover was positive and significant ($R=$

$0.329, < 0.01$). The correlation between training and reduction in employee absenteeism was positive and significant ($R= 0.385, < 0.01$). The correlation between training and customer satisfaction was positive and significant ($R= 0.476, < 0.01$).

This indicated that the correlation between training and performance was positive and significant. This implied that those who rated training highly were also more likely to rate the effect of training on performance indicators highly. In addition, the respondents who rated training lowly were also more likely to rate the effect of training on performance indicators lowly.

Table 9: Correlation of training on performance indicators

		training	financial performance	job satisfaction	innovation	efficiency	reduction in employee turnover	reduction in employee absenteeism	customer satisfaction
training	Pearson Correlation	1	.166	.323(**)	.175	.465(**)	.329(**)	.385(**)	.476(**)
	Sig. (2-tailed)	.	.117	.002	.098	.000	.002	.000	.000
	N	90	90	90	90	90	90	90	90
financial performance	Pearson Correlation	.166	1	.155	.126	-.133	-.080	-.241(*)	-.380(**)
	Sig. (2-tailed)	.117	.	.143	.236	.212	.455	.022	.000
	N	90	90	90	90	90	90	90	90
job satisfaction	Pearson Correlation	.323(**)	.155	1	.250(*)	.065	-.020	-.149	-.066
	Sig. (2-tailed)	.002	.143	.	.018	.543	.849	.161	.539
	N	90	90	90	90	90	90	90	90
innovation	Pearson Correlation	.175	.126	.250(*)	1	.127	-.247(*)	-.284(**)	-.257(*)
	Sig. (2-tailed)	.098	.236	.018	.	.231	.019	.007	.014
	N	90	90	90	90	90	90	90	90
efficiency	Pearson Correlation	.465(**)	-.133	.065	.127	1	.154	-.014	.186
	Sig. (2-tailed)	.000	.212	.543	.231	.	.147	.893	.079
	N	90	90	90	90	90	90	90	90
reduction in employee turnover	Pearson Correlation	.329(**)	-.080	-.020	-.247(*)	.154	1	.127	.316(**)
	Sig. (2-tailed)	.002	.455	.849	.019	.147	.	.234	.002
	N	90	90	90	90	90	90	90	90
reduction in employee absenteeism	Pearson Correlation	.385(**)	-.241(*)	-.149	-.284(**)	-.014	.127	1	.536(**)
	Sig. (2-tailed)	.000	.022	.161	.007	.893	.234	.	.000
	N	90	90	90	90	90	90	90	90
customer satisfaction	Pearson Correlation	.476(**)	-.380(**)	-.066	-.257(*)	.186	.316(**)	.536(**)	1
	Sig. (2-tailed)	.000	.000	.539	.014	.079	.002	.000	.
	N	90	90	90	90	90	90	90	90

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

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

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

Summary

Results revealed that majority of the respondents disagreed with the statement that every new employee receives induction training. The results disagreed with those of Fitzgerald (2008) who asserts that training is designed to provide learners with the knowledge and skills needed for their present job because few people come to the job with the complete knowledge and experience necessary to perform their assigned job. Results further revealed that majority of the respondents disagreed that learning about the duties of the job is included in the induction training, majority of the respondents also disagreed with the statement that induction has improved their knowledge gap about the organization, which has helped them adjust comfortably to the work environment. Study findings shows majority of the respondents disagreed with the statement that training programs have helped inculcating the sense of team work; the findings further revealed that, majority of respondents disagreed with the statement that through training programs, morale in the organization has improved. A majority of the respondents disagreed with the statement that they receive on job training. The findings further revealed majority of respondents disagreed that job rotation is practiced at NHIF. Results disagree with those of Horgan and Muhlau (2006) who asserted that it is important to ensure that the trainee is given several jobs in succession, to gain experience of a wide range of activities (e.g. a graduate management trainee might spend periods in several different departments).

Finally majority of the respondents disagreed with the statement that the organization offers short training in form of seminars. The findings disagree with those of Ghebreorgis and Karsten (2007) who asserts that short training is important and occurs when employees are taken away from their place of work to be trained. The findings also indicated that the majority of the respondents disagreed that training has led to an increase in financial performance while majority of the respondents disagreed that training has increased their job satisfaction. Further the findings indicated that respondents disagreed that training has increased innovation in the organization, disagreed that training has increased efficiency in processes, and disagreed that training has led to reduction in employee turnover. Moreover, majority

of respondents disagreed that training has led to reduction in employee absenteeism and that training has led to an increase in customer satisfaction.

Conclusions

Following the study results, it was possible to conclude that training efforts at NHIF were low, employee development efforts were lowly emphasized at NHIF, and career guidance efforts were lowly emphasized at NHIF. It can also be concluded that performance resulting from training was low. It was also possible to conclude that training had a positive correlation with the effect of training on achieving balance scorecard targets. This implied that those who rated training highly were also more likely to rate the effect of training on performance indicators highly. In addition, the respondents who rated training lowly were also more likely to rate the effect of training on performance indicators lowly.

Recommendations

Following study results, it is recommended that training be emphasized at NHIF as it has an effect on the overall achievement of balance scorecard targets. Therefore the organization is urged to introduce induction training, training programs, seminars and job rotation be practiced so as all employees to have knowledge of what happens in the department.

Recommendations for Further Studies

The study recommends that further investigation be done on the effect of career development to the performance of employees in other public organizations such as NSSF, KRA and Kenya Ports Authority. It is also recommended that the study should be replicated to private organizations.

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The influence of human resource management on the performance of Government Ministries in Kenya

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ABSTRACT

The purpose of this study was to establish how human resource management influences the performance contracting results of Government Ministries in Kenya. The study used a descriptive research design. The target population of the study is Divisional heads, middle level managers and supervisors in 3 selected government ministries. These were Ministry of Education, Science & Technology, Ministry of Health and Ministry of Environment, Water & Natural Resources. Sample of 55 respondents was used. Result findings showed that human resource management impacts performance contracting results of Government Ministries in Kenya positively. Based on the finding the study recommends that the government should encourage the implementation of performance contracting in its ministries through good better human resource practices.

Keywords: Human resource management, performance contracting, government Ministries.

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1.0 INTRODUCTION

A performance contract is an agreement between a government and a public agency which set up general goals for the agency. In addition, these agreements stipulate targets for measuring performance and offer incentives for attaining these targets (Hunter & Gates, 2008). They include a various incentive-based mechanisms for managing public agencies which have effect on the outcome instead of the process. The positive results of Performance Contracts in various countries such as France, Pakistan, South Korea, Malaysia, India, and Kenya has stirred a great deal of interest in this policy around the world (Wheeler, 2001).

Over time, governments have continually encountered the challenge of desiring to do things differently but with limited resources. Performance contracting assists in solving this challenge by providing a way for achieving desired behavior in the contest of decentralized management structures. Employers' value performance contracting since it is a useful vehicle for defining roles and offer support to new managers in their supervisory and control roles. In addition, performance contracting gives managers freedom to execute their day-to-day responsibilities (Domberger, 2008). In Kenya, performance contracting framework was adopted by the Kenyan Government in the Public Service in 2004. Its introduction has helped to improve service delivery in the public sector (GoK, 2010).

France was the first country to adopt performance contracting systems in the late 1960s. In the last fifteen years this system has been adopted in about 30 developing countries. In Asia, the Performance Contract model has been used in Bangladesh, China, India, Korea, Pakistan and Sri Lanka (GoK: Evaluation of Performance Contracting 2010). In the developed world, through performance contracting, countries such as France, the Netherlands and New Zealand have experienced great achievement in the public sector. However, the results in developing Countries referring to case studies in China, India, Morocco, South Africa, Cote D' Vore and Gambia among are mixed (Omboi & Francis, 2011).

Problem statement

The government introduced performance contracts in 2003 since the performance of the public sector in general and specifically the government agencies had over time fallen below expectations (Office of the President, 2005). However, despite this realization little research has been done to determine the determinant of performance contracts in Government Ministries

in Kenya and their impact on performance.

The reviewed local studies include those of Obong'o (2009) which focused on historical perspective of the performance contracting in Kenya. He did not critically address the issue of performance contracting results in Government Ministries in Kenya. Studies by Muganda and Van Belle (2008) had a contextual gap since it focused on the local authorities only while this study addresses government ministries. Hence, this study sought to establish the determinant of performance contracting results in government ministries in Kenya.

Research Objective

- i. To establish how human resource management influences the performance contracting results of Government Ministries in Kenya.

2.0 THEORETICAL FRAMEWORK

2.1 Agency theory

According to Jensen and Meckling (1976), Principal-agent theory in economics is based on several key assumptions about human and organizational behavior. First, individuals and organizations are assumed to be rational in the pursuit of their self-interest. This results to variance of interests between the principal (owner) and agent (producer). The disconnection of ownership from production results to increased cost and complexity in monitoring the agent's behavior. This builds up information asymmetry that is beneficial to the agent as he performs a task on behalf of the principal. Under these conditions, two agency problems arise: moral hazard and adverse selection.

Moral hazard refers to occurrence of opportunistic behavior by the agent. Differing interests and information asymmetry favors the agent through creating opportunities for the agent to engage in behavior that maximizes his utility but conflicting the goals of the principal (Kiser, 1999). Through monitoring, the principal discovers opportunistic behavior and aligns the agent's behavior with his own goals. This helps in improving the outcomes of contractual relationships (Kiser, 1999). This theory is relevant to this study as the determinants of Performance Contracting Act as the agents of the departments and must act in good faith to fulfill the principles of the Principal.

Goal Setting Theory

Locke (1960) affirmed that patent goals and proper feedback motivates employees. Additionally, he said that when employees are motivated when they work towards a goal. Locke's study shed some light on the link between goals and performance. According to his study, specific and difficult goals resulted to better results and performance than those of vague, randomly set or easy to do goals. Locke and Latham, (1984) suggested that assignment of specific goals not only result in improved performance but also leads to increased motivation (Mitchell et al, 2000).

Goal-setting theory does not emphasis on rewards but rather stresses on the inspiring power of defining appropriate work goals and engaging employee commitment to them (Marsden, 2004). Several studies have tried to establish the relationship between goal-setting and performance. Most of the evidencesupport the theory strongly. Marsden and French (2001), found out that employees caused managers to set targets more precisely where the objectives contracted performance.

The theory is relevant to this study as Performance Contracts has a lot in setting goals and agreeing with the Ministry on the same. They are evaluated on the goals they have set themselves which forms the basis of Performance contracting.

Empirical Literature Review

Human Resource Management (HRM) is a strategic and rational approach to the management of an organization's most valuable assets, the human capital who individually and collectively contribute to the achievement of its objectives (Armstrong, 2006). Human Resource Management includes planning personnel needs, carrying out job analyses, and recruitment, choosing the right people for the job and establishingrelationships with all employees at all levels.

Lings (2004) put emphasis on the importance of human resource management when he found out that many researchers and employers abandon one important focus, the needs of internal employees, particularly those who get in touch with customersdirectly. The attitude and behavior of employees interrelating with customers would affect the feeling and behavior of the customers when they get the service. Hence, it is imperativethat managers should define and manage the way their employees provide the service

proficiently in order to ensure that their attitude and behavior are good for providing the service.

According to Storey (2009), HRM can be referred to as a set of policies that are interrelated with an ideological and philosophical underpinning'. He also suggests four aspects that make up the meaningful version of HRM, A particular collection of beliefs and assumptions; A strategicdriving forceaddressing decisions about people management; The central participation of line managers; and. dependence upon a set of 'levers' to outline the employment relationship.

Financial Governance and Performance Contracting

Miring'uh and Mwakio (2006) argued that financial governance affects performance contracting. An example is the Local authorities and county governments in Kenya. The local authorities have been riddled with corruption and financial mismanagement. The county governments are also said to be suffering from misuse of public funds. In addition, counties are said to suffer financially due to cases of revenue theft and excessive expenditure. The implication is that, local authorities and the county governments cannot meet their performance contracting goals.

Bouckaert et al (2009) advocated for the creation of financial governance measures in an effort to improve performance contracting. This financial governance measures include; having a strong internal audit which is effective in carrying out its monitoring roles, financial budgeting which enhances the setting up of budgets, the analysis of budgets, the investigation of variances and follow up on negative variances. Other financial governance measures that can improve performance contracting results include; financial training for accounting staff and recruitment of competent and experienced financial accounting staff. This would aid performance contracting.

Conceptual Framework

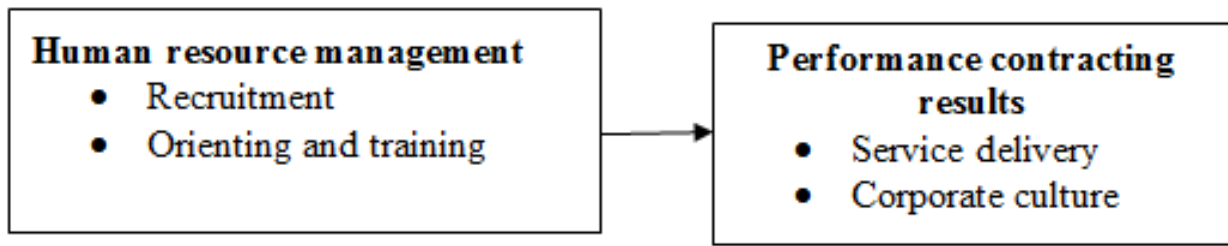


Figure 1: Conceptual Framework

3.0 METHODOLOGY

A descriptive research design was used in this study. The target population of the study composed of 185 Divisional heads, Middle level Managers and Supervisors in three ministries. A sample of 55 respondents. Questionnaires were used to collect data. Data reliability and validity was tested through a pilot test.

4.0 RESULTS FINDINGS

Response Rate

The number of questionnaires that were administered was 55. A total of 41 questionnaires were properly filled and returned. This represented an overall successful response rate of 75%.

Table 1: Response Rate Data reliability and validity was tested through a pilot test.

Response	Frequency	Percent
Returned	41	75%
Unreturned	14	25%
Total	55	100%

Demographic Information

Gender Composition of Respondents

The study sought after finding the gender distribution of respondents. Results on figure 2 shows that 57.14%

of the respondents were male and 42.86% of the respondents were female. This shows that there was no gender disparity amongst the respondents implying that there exists gender equity in the government ministries.

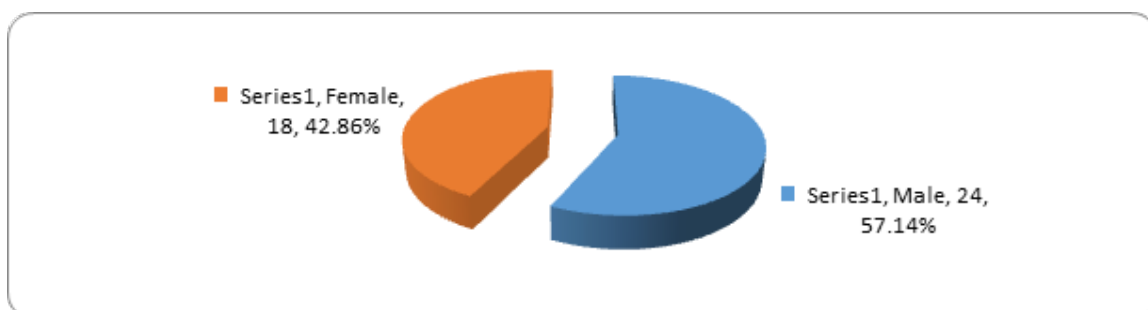


Figure 2: Gender

Level of Education

The study further sought after establishing the level of academic qualifications obtained by the respondents. The responses on this question are depicted in figure 3. A majority of 47.62% of the respondents reiterated

that they had acquired post graduate education, 30.95% university level, 16.67% college level while only 4.76% of them had education up to the secondary level. This implied that the respondents had attained high education.

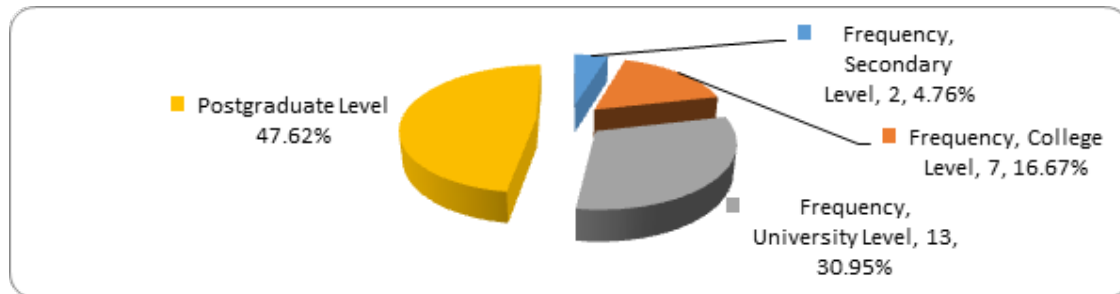


Figure 2: Level of education

Years of Employment in One Capacity

The respondents were told to indicate the number of years they had worked in the same capacity in the government ministry. Majority 50% of the respondents indicated that they had worked in the same capacity for a period of between 5-9 years, 28.57 % of the respondents indicated they had worked in the same capacity for a period between 1-4 years, 16.67 % of the respondents indicated that they had

worked in the same capacity for more than 10 years year while 4.76% of the residents indicated that they had they had worked in the same capacity for less than 1 year. This is an implication that, in the government ministries, it takes time before one is promoted to a higher position. It can also imply that the respondents had worked with the government ministries for a long period of time and therefore they were reliable for the study.

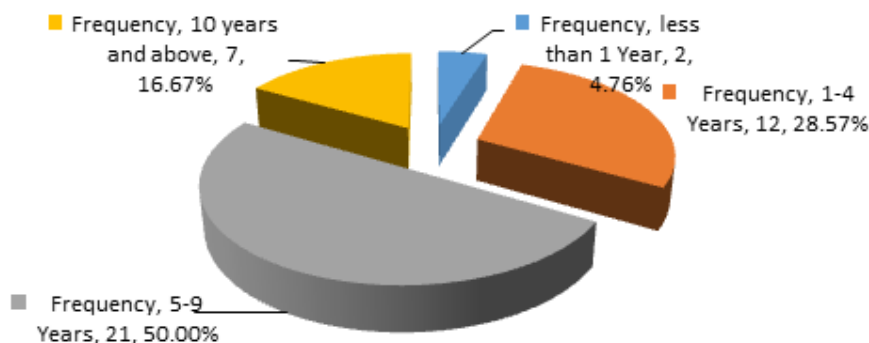


Figure 3: Years of Employment in the Same Capacity

Descriptive Analysis

Table 2 presents the influence of human resource governance on performance contracting. Results indicate that majority 95.3%of the respondents agreed that vacant positions are advertised for competitive selection of qualified candidates, 61.9% of the respondents agreed that employees are recruited on merit based on qualifications and work experience, 76.2% of the respondents agreed that training and development is based on capacity, needs and capacity objectives, 66.7%of the respondents agreed

that opportunities exist to integrate skills acquired in training into the work environment, 83.3%of the respondents agreed that job appraisals practiced, are performance based and equitable and 50%of the respondents agreed that upgrading/promotions are performance based and equitable. The mean of the responses indicated from the results was 3.9which show that the respondents were agreeing on most of the statements while the standard deviation was 0.7 which indicates that the answers received were varied as they were dispersed far from the mean.

TABLE 2: Human Resource Management Influences on Performance Contracting

Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	StdDev
Vacant positions are advertised for competitive selection of qualified candidates	0.00%	0.00%	4.80%	78.60%	16.70%	4.1	0.5
Employees are recruited on merit based on qualifications and work experience	0.00%	9.50%	28.60%	38.10%	23.80%	3.8	0.9
Training and development is based on capacity, needs and capacity objectives	0.00%	0.00%	23.80%	61.90%	14.30%	3.9	0.6
Opportunities exist to integrate skills acquired in training into the work environment	0.00%	0.00%	33.30%	64.30%	2.40%	3.7	0.5
Job appraisals practiced, are performance based and equitable	0.00%	0.00%	16.70%	57.10%	26.20%	4.1	0.7
Upgrading/promotions are performance based and equitable	0.00%	4.80%	45.20%	28.60%	21.40%	3.7	0.9
Average						3.9	0.7

5.0 SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Summary of Findings

The second objective of the study was to establish how human resource management influences the performance contracting results of government ministries in Kenya. The study findings indicated human resource management influences had effect on the performance contracting results of government ministries in Kenya. This was demonstrated by descriptive statistics that showed that majority of the respondents agreed that; vacant positions are advertised for competitive selection of qualified candidates, employees are recruited on merit based on qualifications and work experience, training and development is based on capacity, needs and capacity objectives, opportunities exist to integrate skills acquired in training into the work environment, job appraisals practiced, are performance based and

equitable and upgrading/promotions are performance based and equitable. Regression results indicated that there was a significantly positive relationship between information management influences and performance contracting. This was supported by a p value of 0.000.

Conclusion

The study concluded that human resource management influences affected the performance contracting results of Government Ministries in Kenya positively. This implies that an improvement in the human resource management practices in the government ministries would mean better results of performance contracting.

Recommendations of the Study

Based on the finding the study recommends that the government should encourage the adoption of better human resource management practices for performance contracting in its ministries.

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