# INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN THE HEALTH SECTOR IN KENYA: A STUDY OF SELECTED HOSPITALS IN MACHAKOS TOWN

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# A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION IN THE SCHOOL OF BUSINESS AND ECONOMICS IN PARTIAL FULFILMENT OF THE REQUIREMENT OF THE AWARD FOR A MASTER'S DEGREE IN BUSINESS ADMINISTRATION (HUMAN RESOURCE MANAGEMENT) OF MACHAKOS UNIVERSITY

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# DECLARATION

The research project is my original work and has not been presented for a degree award in any other university

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## ABSTRACT

The study sought to determine the influence of Human resource management practices on employee performance in the health sector in Kenya; study of selected hospitals in Machakos Town .The specific objectives were; to investigate the influence of manpower planning on the performance of employee on selected hospitals in Machakos Town; to determine the influence of recruitment and selection on the performance of employees on selected hospitals in Machakos Town; to establish the influence of training and development on the performance of employee on selected hospital in Machakos Town; and to examine the influence of reward and compensation on the performance of employees on selected hospitals in Machakos Town .The study adopted a mixed research design and the targeted employees grouped in 5 strata consisting top management, doctors, pharmacists, clinical officers, and nurses. Stratified random sampling was used to select a total of 251 respondents from a population of 709 from the various strata's identified .Selfadministered questionnaires were used to collect data. The study used multivariable linear regression and SPSS programme to analyse qualitative and quantitative data and presentations were the dependent and the independent variables. The study asserts that manpower planning recruitment and selection, training and development, reward and compensation had significant positive relationship with employee performance. The study concludes that manpower planning, recruitment and selection, training and development, reward and compensation is positively related to employee performance. The study recommends that the management of the hospitals should incorporate manpower planning in their organization. The management should recruit and select employees fairly without any discrimination. The organization should arrange for training and development activities for their employees. The management should reward their employees for work well done.

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# DEDICATION

I humbly dedicate this project to the family of Mr. & Mrs. Ndiso and my loving husband

James Okwaro.

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# ABBREVIATIONS

CIPD	Chartered Institute of Personnel & Development
FBO	Federal Business Opportunities
FBO	Faith – Based Organizations
HRH	Human Resource for Health
HRIS	Human Resource Information System
HRM	Human Resource Management
HRMP	Human Resource Management Practices
HS	Health Services
HW	Health Workforce
МОН	Ministry Of Health
MPP	Manpower Planning
NHF	National Health Service
NHSSP	National Health Sector strategic plan
OECD	Organization for Economic Co-operation and Development
PFP	Private-for-Profit
PNFP	Private-not-for-Profit
SSPS	Scientific Program for Social Scientists
U.S	United States
WHO	World Health Organization

## **DEFINITION OF TERMS**

- Human resource management: refers to the application of management principles to management of people in an organization (Aswathappa 2008)
- Manpower planning: is the process by which the organization ensures that it has The right number and kind of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives (Aswathappa 2002)
  - **Recruitment:** The process of identifying and attracting job seekers so as to build a pool of qualified job applicants (Aswathappa, 2002).
    - Selection: is the process of picking individuals (out of the pool of job applicants) with requisite qualifications and competence to fill jobs in the organization (Aswathappa, 2002)
    - **Training:** refers to the process of imparting specific skills .An employee undergoing training is presumed to have had some formal education (Cole, 2004).
  - **Development:** means those learning events designed to aid employees grow. It provides knowledge, skill and attitude which will help employees in the higher position.
    - **Reward:** Something given in exchange for work well done by an employer to an employee.
  - **Compensation:** refers to the total sum of the monetary and non-monetary pay provided to an employee by an employer in return for work done as required.
- **Employee retention:** an effort by a business to maintain a working environment which supports current staff (Armstrong, 2006)

## **CHAPTER ONE: INTRODUCTION**

This section is subdivided into different subsections that are covered by the study, it includes background of the problem, statement of the problem, research objectives and research questions, significance, assumption and the scope of the study of the study, assumption of the study and scope of the study.

## **1.1 Background of the Study**

The practices associated with management of human personnel plays a function of developing employees, hired services, recruitment and the overall management with the aim of satisfying and enhancing performance levels of employees (Wood and Wall 2002). The most effective human resource management practices, are performance appraisal, training and development, reward and compensation, career development, health and safety (Ming. 2012). Past research shows a strong correlation between human resource management practices on employee performance. This is because by following appropriate human resource management practices the employee feel appreciated, satisfied, motivated, more engaged with training which will improve the performance and encourage the employee to retain (Amin, 2013).

Adwan (2008) in his study entitled "The Reality of workforce planning in the nongovernmental health sector in the provinces of Gaza", showed that institutions do not engage workers in the planning processes of the workforce sufficiently, and that the influential considerations of administrative structure regulatory in the process of workforce planning is characterized by lack of clarity, as well as the professional experience in manpower planning and top management support for the process of workforce planning. This has led to the hiring of the employees that are short of the required skills and failure to project the labour needs and timely employment which automatically leads to increased costs for the firm in the long run and subsequently low service delivery.

The effective recruitment and selection of employees is a fundamental HRM activity, one that if managed well can have a significant impact on organisational performance as well as lead to a more positive organisational image (Pilbeam and Corbridge, 2006). Ineffective recruitment has a number of cost implications for employers: low morale which can affect employee performance; lost business opportunities, as well as higher levels of labour turnover. Findings from the Chartered Institute of Personnel and Development Recruitment and Retention survey puts the cost of staff turnover at around £12,500 for managerial and professional staff (CIPD, 2006a). Organizations without proper human resource management practices will invest often more on attracting and recruiting employees that fits for the organization, train them to align with the overall culture and strategy of the organization which will incur higher costs (Moon & Li, 2012). The recruitment and selection procedures for junior staff fall under districts while the senior management are handled centrally (Rahman, 2013). Even though recruitment and contracting procedures have been decentralized in Tanzania to the district level especially for lower cadre, the recruitment and selection have remained lengthy coupled with delays (Milga, 2009).

According to the Economic survey, (2007) the health sector had approximately 5170 hospitals across the country by the year 2006. The stated number is composed of both private and public health facilities (Rakuom, 2007). Private health care sector are profit making institution whereas other such as nongovernmental and faith based health care institutions are not profit oriented. The structural administration of the health sector is national, provincial and district levels are under the central government, local government

and private owners (Rakuom, 2010). Provision of advanced health care is normally done by national referral hospitals which are categorised as national hospitals. Health facilities in the district levels such as district health hospitals, health centres, dispensaries and community based health care services are supervised at the district level.

Rakuom, 2010 further stated that each province in Kenya had a provincial hospital that served districts hospitals except Nairobi province. It asserts that "the public sector owns and operates 55% of the total health facilities. Private and FBO health facilities complement the provision of health care by the government through the remaining 45 percent (FBOs 14% and Private 31%) of health facilities. Private-for Profit (PFP) facilities are clinics that provide about 80 percent of outpatient curative services.

According to National human resource for health strategic plan (2012), providing high quality health care service for all Kenyans remains a challenge largely because of economic ,social ,political and other factors that have resulted in an imbalance between the demand and supply of health services and limited human resource for health, inadequate number of skilled HR have had a particularly negative impact on efforts to expand and access and improve the quality health services .The core HR challenge identified in the strategic plan cut across the sector. The span virtually all the critical HR areas; including policy & institutional arrangement, HR planning, recruitment and placement, performance management and appraisal, reward & motivation, capacity building and employee welfare.

There are also challenges in conducting in-service and pre-service training. One major challenge is poor coordination which is frequently not done on the basis of identified needs. In that regard the levels of absorption of trainees in different cadres is way below the number required to meet labour requirements needs in short and mediums terms (Ministry of medical services, 2009). In-service and pre-service training builds the capacity of future potential employees and hence improves patient outcomes. For health institutions to achieve better and improved quality of health services, institutions must change organisational behaviours such as improving hospitals environmental hygiene, timely patient reviews and use of patient protocols. Furthermore trainings and mentorship programmes that increases clinical knowledge should be adopted (Nairobi Hospital Annual Report, 2013).

A number of HRM assessments have identified, significant weaknesses in the HRM systems in both MOH and FBO health care providers (national human resource for health strategic plan (2012). The HR challenges include; HR management professionals are insufficiently at central, regional & facility levels, clear job description for staff are lacking, Orientations of new staff is erratic and non-standardized, There is no performance management system for majority of health managers & staff, There are long delays in the handling & implementation of HR and handling of grievances, The HRIS is extremely weak, as a result it is difficult to get the accurate HR data needed for decision making, There are inordinately long delays in recruiting and deployment even when funding is available, The health sector does not have a retention strategy covering all staff'. Additionally, 'the health sector does not have an incentive package for health workers posted too hard to reach areas and therefore per diems and other payments made to compensate staff for work-related travel or participation in staff development activities are recognized as an important factor in motivating health workers (Henderson and Tulloch 2008; McCoy, Bennett et al. 2008). Yet, reviewers have noted the potential for per diems to distort incentive structures for public servants or encourage corruption or patronage (Chêne, 2009) Riddle (2010) suggested that the impact of per diems was like an "acute

illness" affecting local staff in developing countries and resulting in demands for payment for participation in research, training, or health interventions.

Even though, little has been done to document risks and problems with per diem policies in developing countries, and the overall impact of per diems on health worker performance is not well understood. Vian, (2009) collected data on perceptions among a small sample of U.S. researchers working on public health studies in developing countries. She found that informants were troubled by the ways in which per diem policies are affecting work practices, including delays caused by people attending training programs which do not relate to work targets or goals, and falsification of records in order to gain more per diem (Vian 2009).

According to Rakuom (2010) a study entitled Determining staff requirements in hospitals", the study found that public health facilities take high proportion health workers at 62.8% in spite of this the public health sector still runs with a deficit of specialised health workers. Additionally Rakuom, (2010) reported that most dispensaries are poorly staffed with an estimated number of about 500 dispensaries are without nurses. It has also been established that from 2004 to 2005 health workers had been lost at different health facilities. Health centres registered a higher percentage of health workers at 5% followed by provincial hospitals that had lost 4% while district hospitals had lost 3% (Chankova, Muchiri & Kombe, 2009). Private hospital such Nairobi hospitals have had increased revenue in the years between 2012 and 2013. In the year 2012 revenue increased by 14% (Nairobi hospital Annual Report, 2012), while in 2013 revenue increased from 6.7 billion to 6.9 billion which results in a percentage of about 2% (Nairobi hospital Annual Report 2013). Majorly private hospitals have managed to increase their revenue due to provision of quality services and

availability of inpatient clinical services, radiology and imaging effective HPR and pharmaceutical services.

According to the health sector working group report on medium term expenditure framework (2016), Kenya has an average of 19 doctors and 173 nurses per 100,000 population, compared to WHO recommended minimum staffing levels of 36 and 356 doctors and nurses respectively. Regarding the optimal staff establishment, the sector would require 72,234 staff. Currently the sector has an approved staff establishment of 59,667 but only about 49,096 positions are filled, leaving 10,371 positions vacant. The Research and Development (R&D) sub-sector has developed a critical mass of human resource to conduct health research". "Currently the number of research personnel (in post) stands at 204. Poor working conditions remain a major challenge. These have resulted in brain drain which is adversely affecting research and development capacity in the sector.

Machakos Town has both private and public hospitals. The study based on the definition of a hospital by WHO will target the following private hospitals: Shalom community hospital, Bishop Kioko hospital and Machakos level –five which is a public hospital. According to www.Machakosgovernment.com, Kenya Health sector strategic and investment plan (July 2012 - June 2018), the health sector still faces significant HR shortages, in spite of the investment made during the NHSSP II. This is because of the increased in expected services provided coupled with the freeze in recruitment that existed during the 1<sup>st</sup> half of the NHSSP 11.

The Status of the HR processes (HRH Area); Appropriate & equitable distributed health workers; inadequate number of health workers, lack of skill inventory and lack of budgetary

support to enhance recruitment, Attraction and retention of HW; high level of attrition, unfavourable terms and conditions of work and lack of incentive for hard- to- reach areas, Institutional and HW performance; lack of adequate functional structures to support performance, leadership and management capacities not institutionalized in all service delivery and weak regulatory, Training capacity building and development of HW; (preservice training) lack of mechanisms to link training institutions with service need in the sector, skill inventory lacking, training policy in health sector not developed and inadequate facilities. (In- service training) lack of policy guideline on competence and skill required for specific cadres, skill inventory of HW not available, lack of internship policy and lack of training funds.

# **1.2 Statement of the Problem**

Excellent performance has always been every organizations area of concern with each entity trying to figure out how to improve employee productivity (Amin, 2013). In a globalised world characterized by competition, Human resource management (HRM) practices are designed to facilitate and support manpower planning, recruitment, training, hiring, development, compensation and management of employees with the aim of improving levels of employee performance and satisfaction (Ming, 2012).

Mugo, Nyandika and Okibo (2014) in their study, strategic human resource management in the health sector in Kenya discussed staff and retention strategies, training and development strategies but failed to show how human resource planning, recruitment & selection, training & development and reward & compensation influence employee performance. Ngui (2014) in his study entitled "effects of human resource management strategies on performance of commercial banks in Kenya discussed the extent to which recruitment & selection strategies, reward & compensation strategies, training & development strategies and employee relation strategies affect the performance of commercial banks but failed to show how human resource planning, recruitment & selection, reward and compensation influence employee performance".

In the background, it is evident from the Kenya health sector strategic & investment plan (July 2012 – June 2018) that the health sector still faces significant HR shortages in spite of the investment made during the NHSSP 11. It is evidence that there is unappropriated and unequitable distribution of health workers, low attraction & retention of HW, poor institutional & HW performance and lack proper mechanisms of training, capacity building and development of HW. Leveraging on these backdrops the study sought to establish the influence of human resource management practices on employee performance in selected hospitals in Machakos Town.

# **1.3 Objectives of the Study**

# **1.3.1 General Objective**

The study sought to determine the influence of Human resource management practices on employee performance in the health sector in Kenya; study of selected hospitals in Machakos Town.

# **1.3.2 Specific Objectives**

The study was guided by the following specific objectives;

- i. To investigate the influence of manpower planning on the performance of employee in selected hospitals in Machakos Town.
- To determine the influence of recruitment and selection on the performance of employees in selected hospitals in Machakos Town.

- iii. To establish the influence of training and development on the performance of employee in selected hospital in Machakos Town.
- iv. To examine the influence of reward and compensation on the performance of employees in selected hospitals in Machakos Town.

# **1.4 Research Questions**

- i. What is the influence of manpower planning on the performance of employees on selected hospital in Machakos Town?
- How does recruitment and selection influence the performance of employees on selected hospitals in Machakos Town?
- iii. What is the influence of Training and development on the performance of employees on selected hospitals in Machakos Town?
- iv. How does reward and compensation influence the performance of employee on selected hospitals in Machakos Town?

# **1.5 Significance of the Study**

Organizations will learn how to properly plan for their manpower, enjoy the benefits of a well-executed recruitment and selection procedure, and encourage Training and development enhance employee's skills, administration of an effective pay structure, participation and effective decision making, employee welfare among other Human resource management practices. The following parties benefited from the study.

The study is important to the government including the ministry of health in a number of ways .first, it will ensure that all people it has employed embrace the HRMP because of the enormous benefits secondly, having competent employee in the organization means improved organization performance which signifies double digit profit which in turn improves general revenue for the government. Human capital as a resource is very vital because it leads to expansion of businesses leading to creation of employment and increased national gross domestic product (GDP).

The research will assist the top management of Machakos level five Hospital and the other selected private hospitals to continue embracing Human resource management practices because of improved job satisfaction which ultimately improves the employee performance. HRMP assist management to plan properly for their personnel, by getting the right people for the right job through proper recruitment and selection policies, and developing the employees by improve their skill and constituting a proper system of pay to compensate the employees for their contribution to the firm's success. These practices will assist in maintaining a conducive work environment which fosters good industrial relations which outwardly will lead to improved organizations productivity.

The data and study results that were achieved will generate proper discussion among stakeholders like the ministry of health, who are involved in policy and procedure formulation that give a general direction on how practices associated with management of human resource would be adopted and implemented. This will assist in ensuring a continuous application and re-modification of the HRMP in order to accommodate the dynamic changes in the society.

# **1.6 Scope of the Study**

The study targeted employees of Machakos Level Five Hospital which is located along Machakos –Wote road which is at the heart of Machakos town. Respondents from Bishop Kioko Catholic Hospital were also targeted which is located in Eastleigh sub-location, Machakos town constituency in Machakos county and also respondents from Shalom community hospital located at Eastleigh sub-location, Masaku Township at wote road were also targeted .The study sought to unveil the influence of HRMP on employee performance and the independent variables were; manpower planning, recruitment & selection, training & development and reward & compensation. The study took three months.

#### **1.7 Limitation of the Study**

The study was constrained by a number of factors. First, some respondents did not agree to disclose the information indicating that it might compromise their desires to be promoted to better position in the organization. Secondly some employees not co-operate in filling the questionnaires. Additionally the health facilities were of the opinion that the results of the study might reduce their competitiveness in the health sector. In that regard the respondents were given assurance that all the information provided will be treated confidential and were mend for academic and a better understanding of challenges associated with human resource within various organizations.

## **1.8 Assumptions of the Study**

In the study it was assumed that management of Machakos Level Five Hospital was willing to support the research since employee productivity has always been every organizations area of concern with each trying to figure out how to improve employee productivity and that the ministry of health was keen to know key factors that affect employee productivity and how to mitigate them. It was also assumed that employees were willing to provide information and be willing to fill the questionnaires based on honest judgment and understanding of their job roles.

# **CHARPTER TWO: LITERATURE REVIEW**

# **2.1 Introduction**

The evidence of the influence of human resource management practices on performance of employees is provided in this section; through various theories and related searches on the same issue .It contains the theoretical literature, empirical, summary of literature and research gaps and conceptual framework.

### **2.2 Theoretical Review**

This section discusses the relevant theory that supports the research problem under study. They are presented below.

# 2.2.1 Hard and Soft Approaches of HR

Whittington (2012) founded Soft and Hard types of human resource management. According to this framework, 'in the soft version the employees are measured as an additional value to the organization bearing in mind employees require training and development with careful management to develop the quality, commitment and flexibility while in the hard version employees maximum potential is used for the benefit of the organization and employees are considered as a tool to achieve the organizational goals (Truss, et al., 1997; Dainty, et al., 1998; Ihuah, 2014).

The model is relevant to the study because of the integration of training and development of employees which ultimately leads to improved performance. Training is essential in every organization for it facilitates proper alignment of organizations strategic plans with human resource management practices which aid in accomplishment of the short, mid and long term plans.

### 2.2.2 The Guest Model

This model was founded by Guest (1997) and inspired by the Harvard framework is a fusion of both soft and hard approach of human resource management (Janssens & Steyaert, 2009). In 1997 Guest claimed about the need for a proper theory that emphasizes on three main characteristics: Human resource, Performance and finally a theory on how both could be related. According to this model organizations can achieve high employee performance, stronger problem solving, reduce employee turnover, achieve greater goals and improve cost in an effective manner by adopting a coherent strategy of human resource practices properly integrated with the business strategy (Marsden, 2002).

The model is relevant to the study because it puts a lot of emphasis on proper management of the human resource that aid in efficient and effective management of an organization .The soft approach aims at rewarding and compensating employees competitively with other industries by considering their input to the success of the organization because they are considered the most important resource .The hard approach puts emphasis on the commitment of the employees to the achievement of organizational goals. An organization should therefore adopt both soft and hard approach in order to effectively management the workforce.

## **2.2.3 Human Capital Theory**

The theory was founded by Grey Becker (2010) and it asserts that many countries have adopted new technologies, a knowledge-based economy, and globalization has forced many nations to find new means to compete favourably with other players. (Kwon, 2009). Labour economists are of the view that knowledge and skills are determinants of workers productivity. Human capital has been defined workers asset which include a set of skills and knowledge used for productive purposes. Additionally Boldizzon (2008) posited that, the concept of human capital is semantically the mixture of human and capital. In relation to the role of capital in economics humans have a responsibility to manage such activities as transaction, consumption and production.

The theory is relevant to my study in that during recruitment and selection process, the organization should select the most qualified; most experienced and exposed personnel in order to make it possible to align human talent with the new emerging business practices. This will enable the organization to gain leverage for healthy competition with other sectors hence increased production.

#### 2.3 Literature related to variables

The section presents "the review of the literature related to the problem and purpose".

# **2.3.1 Employee Performance**

Employee performance has been defined as encompasses competent staff, availability of staff, both present and retained their responsiveness and productivity (World Health Organization, 2006). Productivity of workers when they are at their work places is impacted by competence and responsiveness. These factors are affected by how the job is satisfying them and absenteeism issues as well as motivation. Further employee performance has been defined by Khan (2006) as the level of finishing the tasks given to the employees. He further argued that the capacity of the employee determines his or her job performance. This is associated to employees knowledge and skills, abilities, expertise, a chance to perform and willingness to effortlessly work to reach a particular level of motivation to perform. World health organization and Khan have both agreed that performance of employees is not influenced by a single factor but a number of elements. In their definitions they have categorically cited willingness to perform, employee competence, and employees' capacity

must be spread at every cadre of the organization since it determine employee performance. Both definition indicated that performance of employees is crucial for continued presence of organization in the market (Beach, 2009).

Productivity of employees is bound to increase in a supportive and positive environment. Company leadership have a responsibility to create an enjoyable, family-oriented atmosphere in which all employees focus on achieving team goals. Recognizing employees' efforts influences employee performance, recognition can be done independently or with a financial reward (Dessler, 2008. It is very critical to recognize success and to inspire employees to work towards achieving a particular goal. Since this inspires them when they understand that their contributions are valued in addition to bestowing confidence in them (Khan 2006).

Employee performance is a core concept within work and organizational psychology. It is a multidimensional and dynamic concept. It is a term synonymous with human resources and it is all about performance of employees in a given organization and the level at which the employees perform their work. It has to do with all the job activities expected of an employee and how well those activities are carried out, (Kavoo & kiruri 2013). Employee performance is also viewed at in terms of outcomes, as well as in terms of behaviour (Armstrong, 2009). In order to establish the employees' level of performance organizations use a set standard against that of the employee. (Kenney, 2003) These could be efficiency, productivity, and effectiveness, quality of work and the profit measures and customer feedback.

The ability of employees to effectively achieve the target is referred to as effectiveness (Stoner, 2006). Quality is the characteristic of products or services that bear an ability to

satisfy the stated or implied needs (Armstrong 2009). Low performance and not achieving the set goals might be experienced as dissatisfying or even as a personal failure. High performers get promoted more easily within an organization and generally have better career opportunities than lower performance Sabwami,(2014). The study by Baloch et al, (2010), 'measured the impact of three HR Practices which were Reward and compensation practices, training practises and performance evaluation practice on perceived employee performance. The results of correlation indicated a significant relationship between these practices and employee performance'.

In every organization, there are some expectations from the employees with respect to their performance. And when they perform up to the set standards and goals and meet organizational expectations, they are believed to be good performers. This means that effective administration and presentation of employee's task which reflect the quality desired by the organization can also be termed as performance. According to (Dessler 2011), employee performance is an individual measurable behaviour which is relevant for organizational goal achievement. Employee performance goes beyond the individual factors that include external factors such as reward motivation and work environment. Their performance is measured under four dimensions; quality, quantity, dependability and work knowledge, (Mazin 2010).

According to Cole, (2008), employee's performance is measured against the performance standards set by the organization. Performance is the achievement of specified task measured against predetermined or set standards of accuracy, completeness, cost and speed. According to Apiah, (2010), an employee's performance is determined during job performance reviews. Contextual performance refers to activities which do not contribute

to the technical core but which support the organizational, social and psychological environment in which organizational goals are pursued, (Lovell, 2009). Contextual performance is predicted by other individual variables. They include behaviours which establish the organizational social and psychological context and help employees to perform their core technical or task activities (Buchman, 2007).

Globally productivity and employees performance influences economies of nations. Determinants of Labour Productivity, is also cited in Choudry, (2009) who mentioned that performance and labour productivity is lower in some counties of South Asia and Africa. sub-Saharan Africa has been ranked lower in term production associated with labour.

Munjuri, (2011) in his study entitled the impact of HRM practices on employee performance, showed a significant impact of HRM practices on employee's performance. Employee performance is directly linked with performance of the organization. The successful organizations consider the HRM practices as a crucial factor that directly affects the employee's performance. Boselie (2005) stated that in 104 research studies, HRM was taken as a set of employee management practices. Hameed (2011) described seven HRM practices that are relevant to overall organizational performance. The current global environment deems it necessary for organizations to recruit skilled and capable employees in order to prosper in their businesses. (Aldamore, 2012). Practices related to HR when applied by line managers frequently influences employees perception positively about the practice applied on them by HRM (Purcell and Kinnie, 2007). HRM practices may succeed or fail based on managerial skills (Guest, 2011).

## **2.3.2 Manpower Planning and Employee Performance**

HRP is generally defined as the process that identifies the number of employees a company requires in terms of high quality and quantity, hence it is seen as an ongoing process of regular and structured planning Dessler (2007). The main purpose of human resource planning is to make sure that employees have best level of interaction with their jobs. Also, this planning process confirms that employees are in right number as required (there is neither surplus of manpower nor shortage). The three fundamental functions of human resource planning include; labour forecast, managing demand for employees and available supply in market and keeping a balance between labour supply and demand predictions in order to gain competitive advantage over the competitors (Bowes, 2008).HRP is variously called manpower planning, personnel planning or employment planning (Armstrone, 2009).

Reilly, (2003) describes human resource planning (HRP) as a step by step identification of human resource needs in a later date so that the organization can meet its objectives. This is a very important process in an organization and is necessary to do Human resource planning in order to avoid hiring wrong employees or the organization might fail to project correctly issues of fluctuation in recruitment needs and might lead to incurring high costs in the long run. If the due processes of human resources planning are adhered to the organizations will employ people with the desired skill and are competent enough to meet the needs of the industry (Ghazala & Habib, 2012). Additionally employees are prepared in advance for their rationalization, as well creating more room for sufficient preparation for hiring and strategic recruitment (Gupta, 2008).

## 2.3.2.1 Requisites for Successful Manpower Planning

According to Aswathappa (2008), to have the right number and the right quality of people requires effective human resources planning and serious managerial attention and commitment. It is therefore important to consider the following factors; "HRP must be recognised as an integral part of corporate planning, The planner of human resource must therefore be aware of the corporate objectives, Backing of top management of HRM is absolutely very essential, HRP responsibilities should be centralised in order to co-ordinate consultations between different management levels, personnel records must be long enough to permit any remedial actions, The techniques of planning should be those best suited to the data available and the degree of accuracy required, plans should be prepared by skill level rather than aggregates, data collected, analysis, technique of planning and the plans themselves need to be constantly revised and improved in light of experience".

# 2.3.2.2 Importance of manpower planning

According to Aswathappa, (2008), in order to highlight the importance of HRP, the benefits are discussed under the following roles: "future personnel needs; planning is significant as it helps determine future personnel needs, Surplus or deficient in staff strength is the result of the absence of defective planning, Coping with change; HRP enables an enterprise to cope with changes in competitive forces like markets, technology ,products, and government regulations, the current job environment desires that employees should have high intellectual capacities and also very talented so as to professionalize the systems and therefore the human resource manager should work extra hard to reduce the level employee turnover.

Sections that are weak are protected; 'in matters of employment and promotions sufficient representations need to be given to physically handicapped, children of socially and physically oppressed and backward-class citizens. A well-conceived personnel programme would protect the interests of such groups, International stratifies; international expansion strategies depends on HRP. Without effective HRP and subsequent attention to employee recruitment, selection, placement, development and career planning, the growing competition for foreign executives may lead to expensive and strategically disruptive turnover among key decision makers, foundation for personnel functions; manpower planning provides essential information for designing and implementing personnel functions, layoffs) and training and development.

# **2.3.2.3 Manpower Planning Principles**

According to Armstrone (2009), manpower planning and development is our effort to equip our personnel, visualize the future, as history by determining how we could want the future to appear. Manpower planning and development, 'is not how precisely we can predict the future but rather to uncover the things we must do today in order to have a future. This implies that manpower planning and development involves forecasting. Almost all manpower planning and development involve forecasting and managers depend upon these forecasts in determining cause of action. To do this, managers must be able to look at the present and prepare it with past to be able to predict the future.

Manpower planning and development to be effective it must include the following principles; Manpower planning and development should be based upon clearly defined objective and make use of all available information,' "Manpower planning and development should consider factors in the environment which will help or hinder the organization in reaching its goals, They should take account of the existing organization and provide for control, so that performance can be checked with established standards, They should be précised, practicable and simple to understand and operate, They should be flexible, to ensure that circumstances necessitates change and this can be affected without disrupting the manpower plan. Therefore, manpower planning and development no matter by whatever it is defined, has one primary aim and that is the attainment of individual and company objectives.

#### 2.3.2.4 Manpower Planning Process

According to Aswathappa (2008), steps in manpower planning and development include: Demand Forecasting: The idea of demand forecasting entails predicting and targeting. This involves a process of estimating the future quality of manpower planning and development required by an establishment, Supply Forecasting: Manpower resources comprises of the total effective effort that can be put to work as shown by the number of people available and the capacity of employees to do the work and their productivity'. Supply forecasting also include manpower planning that is slightly available from within and outside the organization having allowed for absenteeism, internal movement, promotion, wastage and change in hours and conditions of work., Determine Manpower Recruitment: Manpower planning is determined by relating the supply to demand forecast and establishing any deficit or surplus that will exist in the future.

Manpower Productivity and Cost: Productivity is the output of goods and services which can be obtained from a given input of employees within the organization. Manpower planning and development cost on the other hand represent the overall expenditure of manpower planning which includes remuneration cost, retirement cost, training cost and personnel administration cost, Action Planning: The manpower planning should be prepared on the basis of manpower requirement and the implication of the information on productivity and cost. The main demand depending on circumstances will consist of requirement planning, redundancy plan, re-development plan, productivity plan and retention plan, Manpower Budgeting and Control: This is concerned with estimating manpower planning and development requirement in terms of numbers, skills and goals needed to accomplish a specific task within a time frame which is usually a financial year. It should also clarify responsibility for implementation and establishment of reporting procedure, monitoring against the manpower plan.

Strategic development done to by the organization to ensure that vacancies in organizational level, regional and national level augers well with the labour supply is one of the explanation of man power planning (MPP) (Meathfield, 2008). MPP entails labour supply at the moment, projecting future labour requirement and supply or availability, while ensuring that the demanded skill are met. There are bodies mandated at the national level to conduct MPP human resources managers do it at organizational level(WHO, 2010). Studies have established that there is a strong relationship between perfomamnce of an organization and effective recruitment more so if HR planning is done strategically before doing the selection and recruitment process (Pilbeam and Corbridge, 2006). To effectively conduct human resources planning there are critical factors that must be considered which includes, laying down roles of the job, and related competencies, understanding the availability of labour with respect to what the organization needs, further a good knowledge of the labour market is a prerequisite ,both within and outside the organization.

Schmidt (2007) felt that they require more manpower in the near future. The reasons include expansion plans, expected increase in sales orders from customers and technological changes that are contemplated by the units. Interestingly, about every alternative unit undertakes human resource planning for a short term using informal techniques of human resource forecasting such as instant decisions about the human resource requirement and extrapolating past trend of workforce into future (Schmidt,2007).Majority of units in an organization require more manpower in the near future. The reasons include expansion plans, expected increase in sales orders from customers and technological changes that are contemplated by the units (Dessler 2007).

Department of human resource has an obligation to select and hire the best talent in an organization. (Speamerfam, 2011). Significant amount of planning is required for all this in order to put attractive advertisement to attract talented candidates. Afterwards, job descriptions and job specifications are put forward to provide details relevant to the work, the responsibilities to handle in a particular job, required qualifications, technical and other needed skills. In human resource planning, turnover rate of employees is also forecasted. Lastly, interviews are done and candidates are selected to whom training is provided so that they conduct all their job activities very well.

This effective working condition reduces the turnover rate of employees. Also, the administrative activities of HR department such as performance appraisal, employee compensation management need proper planning and management of all the functions. Ulrich, (2011) also highlighted the significance of human resource planning process by mentioning that objectives of the organization are achieved when planning is done properly. Therefore, organizations at first collect data about the goals and objectives, afterwards it

arranges people, resources and other competencies required to meet the objectives. (Pilbeam and Corbridge,2006) defines HRP as a process which helps out in properly performing important HR functions such as true and timely information is provided about when to do recruitment of employees. This timely process saves extra cost of company.

## 2.3.3 Recruitment, Selection and Employee Performance

Recruitment is the process of attracting, screening, and selecting qualified people for a job (Hoover, In Press). According to Montana and Chankova (2009), recruitment includes sourcing candidates by advertising or other methods, screening potential candidates using tests and interviews, selecting candidates based on the results of the tests or interviews, and on-boarding to ensure that the candidate are able to fulfil their new roles effectively. Recruitment form a major part of an organization's overall resourcing strategies, which identifies and secures people needed for an organization to survive and succeed in the short to medium-term (Clarke, 2008).

Recruitment activities involve, either external candidates from outside organisations or current employees, in which case it is called internal recruitment. The success of recruitment depends upon its ability to create a large pool of competent applicants. There are numerous sources of recruitment which may be categorized into two: internal and external Aswathappa (2008). The internal sources of recruitment are present employees, employee referrals. External sources of recruitment are the professional associations, newspaper advertisements, campus recruiting, unsolicited applicants, management consulting firms, and internet. According to CIPD (2006b) the key recruitment channels used to attract applicants include; advertisements in local newspapers; recruitment agencies/search firms; corporate websites; specialist journals; encouraging speculative

applications; employee referral schemes, and national newspaper advertisements. Findings from the Chartered Institute of Personnel and Development: Recruitment and Retention survey puts the cost of staff turnover at around £12,500 for managerial and professional staff (CIPD, 2006a).

Recruitment and selection can play a pivotally important role in shaping an organisation's effectiveness and performance, if work organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are able to make an accurate prediction regarding their future abilities. Recruitment and selection also has an important role to play in ensuring worker performance and positive organisational outcomes. It is often claimed that selection of workers occurs not just to replace departing employees or add to a workforce but rather aims to put in place workers who can perform at a high level and demonstrate commitment (Ballantyne, 2009).

Recruitment and selection in any organization, is a serious business as the success of any organization or efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises (Ezeali and Esiagu, (2010). Since recruitment and selection involve getting the best applicant for a job Ballantyne, (2009). It has been emphasized that recruitment procedures that provide a large pool of qualified applicants, paired with a reliable and valid selection regime, will have a substantial influence over the quality and type of skills new employees possess Okoh, (2005). For Mondy (2010), the important thing is for some suitable plan to be used, complying with all legal requirements relating to employment and equal opportunities, to follow recommended codes of practice and to ensure justice and fair treatment for all applicants.

According to Clarke, (2008) the choice of a particular recruitment strategy by a firm is specific to the resources available to the organization at hand and its environmental dynamics'. Boxall, Purcell and Wright (2007), highlight five different questions an organization has to answer, 'to have an effective recruitment strategy in order to pursue its survival and success". Those questions are "Whom to recruit?", "Where to recruit?", "What recruitment sources to use?", "When to recruit?" and "What message to communicate?" "The notion of effectiveness in this study relates to the manner by which organisations implements its employment policies. The essence is to understand whether such policies are applied appropriately in the way they have been designed.

Ballantyne, (2009) identified some of the problem affecting recruitment and selection as, the increasing pressure for employment, utilization of informal sources of recruitment and delegation of recruitment function. These problems have resulted to inadequate use of job description and standard employee requirement in the process of recruitment. Clarke, (2008), indicates that a common problem in recruitment and selection is poor Human Resource Planning (HRM). This is particularly so with recruitment and selection policies and practices. The key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost. Detailed and robust recruitment and selection policies, such as recruitment and selection procedures, assessing criteria, talents auditing and processing the information about the labour market are important in recruiting and deploying appropriate employees at the right time.

Mondy (2010) affirms that recruitment and selection experience can also impact on the likelihood that a candidate will accept a job offer and on their subsequent commitment to remaining in the organization. Appointment decisions are the most important ones a manager has to make; they affect the manager's ability to achieve targets, the quality of services or products delivered to the customer and the well-being of the whole team". "Previous research shows that, the competency level of HR managers have a major influence on recruitment and selection and experienced HR experts within the HR department will not only shorten vacancy duration, but also improve the quality of the applicants. Moreover, effective recruitment and selection is possible only if there is a dedicated and competent HR team (Clarke, 2008).

Mondy (2010) refers to selection as the process of choosing from a group of applicants those individuals best suited for a particular position in an organization. Whereas the recruitment process is aligned to encourage individuals to seek employment with the organisation, the selection process is to identify and employ the best-qualified and suitable individuals for specific positions. Traditionally, it was assumed that organisations could choose amongst applicants and that they would accept all job offers. However, attracting a large number of applicants was not the problem, but recruiting the right applicants became the main concern amongst employers (Branine, 2008). With the oversupply of unskilled applicants (Nzukuma & Bussin, 2011), it can be assumed that employers would be very careful before selecting any applicants. Employer decisions about the selection of employees are central to the operation of organizations and to a series of outcomes that matter to individuals, organizations, and society.

According to Gamage (2014) the objectives of selection function are to get the right person to the right job, establish and maintain a good image as a good employer, and maintain the selection process as cost effective as possible. Selection is an extremely important aspect to consider for businesses due to a number of reasons. Often the performance of businesses relates directly to the people working within it, meaning the right people need to be hired to ensure organizational success (Henry & Temtime, 2009). It is also an expensive process to hire someone new into the organization, so it is not something organizations want to put time and money into just to find they have hired somebody who is not suitable. It is vital that organizations get the process right the first time round, because resources are scarce enough as it is. Selecting the right applicant can be a difficult task, but at the end of the day, the organization's reputation is held by the people it employs (Henry & Temtime, 2009).

Selection is one of the most important functions of HRM because wrong selection of employees hampers organizational performance enormously (Dessler 2007). Employee selection in a country is influenced by the perception, fairness, favouritism, and internal and external pressures (Aswathapa 2008).Organisational recruitment plays a crucial role in the development of human capital and strategic human resource management (Millmore, 2007). Given that the primary objective of recruitment is to identify and attract potential employees.

To reduce the unfair referrals of employees' organizations, should ensure that the scheme is supported by a fair selection process, one where all parties involved are fully trained for their recruitment and selection role. Another possibility is to set clear criteria/boundaries around participation in the scheme by certain groups of employees. Senior managers and HR professionals at Xansa for example, with primary responsibility for recruitment, are not allowed to participate in the employee referral scheme (CIPD, 2006b). Strategic recruitment and selection looks for people with the right attitudes, values and culture, attributes that are harder to train or change and that predicts potential employee performance and likelihood to remain with the organization (Cole, 2008).

Bratton and Gold (2007), differentiated recruitment and selection while establishing a clear link between them by stating that recruitment is the process of generating a pool of capable people to apply for employment to an organisation. Selection is the process by which managers and others use specific instruments to choose from a pool of applicants a person or persons more likely to succeed in the jobs, given management goals and legal requirements. Recruitment and selection forms a core part of the central activities underlying human resource management: namely, the acquisition, development and reward of workers. It frequently forms an important part of the work of human resource managers or designated specialists within work organisations. It is the human resources that give competitive edge and therefore should be selected carefully and developed in order to achieve employees' commitment (Storey, 1995).

Oginda (2012) in his study entitled the effects of recruitment and selection of employees on the performance of small and medium enterprises in Kisumu Municipality, Kenya revealed that a total of 168 new small enterprises were registered by the beginning of 2009 Kisumu Municipal Office 2010, but by the beginning of the year 2012, the number had reduced to 123. Majority of SMEs in Kisumu Municipality do not develop to full maturity. According to Acharya (2008), a constant characteristic among SMEs is their premature collapse. SMEs, just like other business organizations, need to be prepared for what may lie ahead through development of contingencies and flexible processes. Their future must be shaped by the consequences of their own planning and actions as effected by the human resource force Acharya, (2008). According to Holton and Trot (2006). SMEs must take hold of their future through proper HRM, and in particular, through effective recruitment and selection practices.

The study by Henry & Temtime, (2009) entitled employee recruitment and selection practices in the construction industry emphasized on the importance of a quality process during the time of recruitment and hiring given that the right type of labour is hard to come by. In fact, while lending credence to the importance of hiring quality candidates who are hard to find Tendon (2006) warned that talent deficiency is unrelated to huge population. While reporting that recruitment is the only component for attracting and retaining knowledge workers, Unwin (2005) gave significance to the process involved during the time of recruiting and hiring good candidate.

Although the study conducted by Subbarao (2006) on the role of recruitment and selection practice of small and medium hotels of Accra explained the recruitment sources used by individual job seekers at various levels, the study further highlighted the importance of different types of approaches used at the time of recruitment which in turn makes any organization well established or less established. According to Sarkar and Kumar (2007) organizational performance is hinged on the approach which the organization adopts in the recruitment and selection of employees. To this end, Sarkar and Kumar (2007) spoke of a holistic model of recruitment i.e. emphasizing the importance of the whole process of recruitment and the interdependence of its parts (Sinha & Thaly, 2013).

Vyas (2011) in his study the impact of recruitment and selection and employee performance of small and medium enterprise in Kisumu municipality asserted that the current trend is that organizations are looking for methods of reducing the time and effort in the recruitment and selection process. However, Munyon, summers, Ferris and Gerald (2011) admonished that, and methods of team staffing should translate to competitive advantages to a firms. In similar vein, DeVaro (2008) demonstrated that recruitment strategies can lead to positive organizational outcomes. For Sinha and Thaly (2013) adopting qualitative system in recruitment and selection has helped organizations to grow as they have been able to get the right people for their vacancies. In addition, the appropriate channels have helped the organizations to get the different and varied sources to which they can turn to for effective hiring (Sinha & Thaly, 2013).

### 2.3.4 Training, Development and Employee Performance

The process of providing special skills to a learner is referred to as training, to do a particular job while development deals with general enhancement and growth of individual skill and abilities through conscious and unconscious learning. The main purpose of training and development is by improving the employee competencies so that organizations can maximize efficiency and effectiveness of their human assets. Armstrong (2009) clearly stated in his book that organizations could benefit from training and development through winning the "heart and minds of" their employees to get them to identify with the organization, to exert themselves more on its behalf and to remain with the organization.

Training and development, is considered to be the most common HR practice Tzafrir, (2006). Training and development refers to any effort to improve current of future employees' skills, abilities, and knowledge Aswathappa, (2008). Thang and Buyens (2008)

through reviewing 66 studies conducted in different parts of the world opined that training and development leads to superior knowledge, skills, abilities, attitudes and behaviour of employees that eventually enhance organizational performance. Tzafrir, (2006) unearthed that training and development had positive impact on organizational effectiveness in Bangladeshi context.

Training refers to the methods used to give new or present employees the skills they need to perform their jobs Dessler,( 2008).Training refers to improving competencies needed today or very soon) Thang and Buyens (2008).Training is the planned and systematic modification of behaviour through learning events, programmes and instruction which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively Armstrong,( 2006). Dessler (2008) argued that the training process starts with determining what training is required. Analysing training needs depends on whether you are training new or current employees. The main task in analysing new employees' training needs is to determine what the job entails and to break it down into subtasks, each of which you then teach to the new employee. Analysing current employees' training needs can be done through task analysis and performance analysis.

The recognition of the importance of training in recent years has been heavily influenced by the intensification of competition and the relative success of organizations where investment in employee development is considerably emphasized (McDowall et al. 2010). They add that technological developments and organizational change have gradually led some employers to the realization that success relies on the skills and abilities of their employees, and this means considerable and continuous investment in training and development. Apospori, (2007) deduced that there is a considerable impact of training on organizational performance. Training and development increase the employee performance. Taking training and feedback together or separately they both are very important and have a very important role to achieve the organizational goals and targets" (Mohsin & Nadeem, 2007).

Training and development enhances job productivity, positive attitude of employee allowing to acquire superior knowledge, skills and abilities Tangthong, (2014), likewise performance appraisal, reward and compensation motivates employees to stay focused and engaged Tay, (2011), while career development and supervisor support increase the employees organizational loyalty and reduce the negative thoughts towards the organization Merchant, (2013). Employee performance depends on many factors like job satisfaction, knowledge and management but there is relationship between training and performance Chris Amisano, (2010) .This clearly shows that employee performance is important for the performance of the organization and training & development is beneficial for the employee to improve his performance.

Dessler (2008) explains that the training process starts with determining what training is required. Analysing training needs depends on whether you are training new or current employees. The main task in analysing new employees' training needs is to determine what the job entails and to break it down into subtasks, each of which you then teach to the new employee. Analysing current employees' training needs can be done through task analysis and performance analysis.

In the present economy training and development is among one of the key human resource management practices which leads to skills, abilities, superior knowledge, positive attitude and behaviour of employees resulting the organization in profit Tangthong, et al., (2014). This includes on-the job training, off-the job training, job rotation, coaching & mentoring, and employee development. On-the-job training improves work efficiency, develops interest in work, gives satisfaction and reinforces the commitment towards the organization leading to employee retention (Ameeq-ul-Ameeq and Hanif, 2013).

Practices associate with human resource impacts significantly on the productivity of an organization. It has been established that there is a significant correlation between performance of an organization and practices associated with human resources such team work, appraising performance, HRP, training and development (Abdulla, 2009). Human resources practices can therefore be used as significant predictor of organizational performance (ALDamore, 2012).

Mutsotso (2010) in his study entitled the impact of HRMP on employee performance in international non-governmental organization in order for an employee to efficiently under take the company operations the training on issues related to their jobs increases their skills and makes them feel satisfied, productive and motivated. This therefore means organizations with high capacity building initiatives are likely to experience increased performance characterized by a motivated workforce. An organization that builds employee skills is an indication that the organization cares for the employees (Hameed, 2011). It is therefore, realised that through investment in employees training then their motivation and performance increases, although development depend on employees developmental willingness and attitude set by top management as well as organizational opportunities for growth.

Tzafrir, (2006) in his study entitled, Human resource performance practices in managing human resource'' found that combined effect of training and development along with career

development opportunities have a significant influence on employee performance. Meathfield, (2008). These employees are motivated to train themselves in order to enhance their career opportunities and develop themselves Meathfield (2008). This cause employee to be motivated and retain in the organization. Mostly employees are not much interested in training and development if that training is not linked with career development Ramlall, (2003). Training is the planned and systematic modification of behaviour through learning events, programmes and instruction which enable individuals to achieve the levels of knowledge, skill and competence needed to carry out their work effectively (Armstrong, 2006).

Iranzo (2008) in their paper skills dispersion and firm productivity pointed out that the right measure of skills has remained quiet controversial. The most common proxies have been the educational attainment and experience, by themselves or as the basis for the construction of more sophisticated measures of human capital. However this are only measures of formal skills that only imperfectly reflect innate differences in ability and informal skills, such as accuracy on the job or communication ability. They further note that the productivity of each worker depends on the skills of other workers in the firm as well. Skilled employees are a strategic input for any organization. The ILO report (2008) points out that training for new skills gives opportunity for better career paths within the organization, higher income and employability. In addition it is recognized that new skills are required for organizations to remain competitive and be able to retain their workers.

#### 2.3.5 Reward, Compensation and employee performance

The reward system consists of all organisation components- including people, process, rules and decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organisation, Puwanenthiren, (2011).

Armstrong (2009), on his part defined the reward system as consisting of a number of interrelated processes and activities which combine to ensure that reward management is carried out effectively to the benefit of the organisation and the people who work there. Puwanenthiren (2011) also identified three main components of a reward system to include; compensation, benefits and recognition.

According to Armstrong, (2009) these components encapsulate the total rewards in an organisation which include transactional and relational rewards. Benefits are described as forms of value other than payment that are provided to employees for their contribution to the growth of the organisation. Benefits can come in two forms- tangible and intangible benefits. Tangible benefits include contribution to retirement plans, life insurance, vacation pay, holiday pay, employee stock ownership plans, profit sharing and bonuses, etc. Intangible benefits on the other hand include, appreciation from a boss, likelihood for promotion, office space, etc.

Puwanenthiren (2011) asserts that compensation is described as base pay and or variable pay. Base pay is tied to the value of the job to the organization in relation to the market value and the expertise required to performing the job. While variable pay is based on the performance of the person in that role which include achieving set targets. Examples of variable pay are bonuses. In considering the deployment of a robust reward system, the employer has to consider several options ranging from decisions on whether the reward would be periodic or instantaneous, cost savings or profit based individual or group based. All these ingredients are very vital to designing a good reward system (Puwanenthiren, 2011).

According to Dessler, (2007) all rewards and pay given to the employees after working is referred to as compensation. The major reason that motivates people to work is compensation and it is very important for employees. Compensations influences employees satisfaction, productivity and there living standards in there society. (Aswathappa, 2008). Puwanenthiren (2011) found that incentive compensation was associated with perceived market performance in USA.

Employee compensation system resulted in better organizational performance in Indian firms (Goel, 2008). Barney and Hesterly (2008) studied HRM practices of 92 medium and large business enterprises (Public and private sector) located in Dhaka, Bangladesh. They found that only 62% of surveyed organizations had an HR/Industrial Relations (IR) department. HRM practices of ten higher institutions of learning in Bangladesh were examined by Akhter (2006). She measured correlation between employee's opinions regarding HRM practices in their institution, their age, education and experience.

In a globalised world characterized by competition, "access to latest technology and communication systems, and an unfettered access to financial markets around the word, the ability to attract and retain qualitative workforce, as well as keep them highly motivated has however become a great challenge. Employers now require their employees to do more with less, while employees on their part, are asking for more incentives. This requires that organizations should device a system that will strike a balance, if they want to continue to have increased performance. Puwanenthiren (2011) noted that organizations are increasingly realizing that they have to establish an equitable balance between the employee's contribution to the organization and the organization's contribution to the

employee. He went further to say that 'establishing this balance is one of the main reasons to reward employees".

Organizations need to develop effective reward scheme in order to motivate there employees. Armstrong, (2006) posited that reward strategy is declaration of intention to pay and it defines the organizational plans and policies implementation. There are four elements that form an effective reward system that is, basic needs of the employees has to be satisfied, it is critical that the rewards should be part of the organizational system and has to be at par to those offered by other organization in same industry; rewards have to be distributed fairly and equally and should be made available to employees sharing the same position. Goel, (2008) stated that the leadership of an organization reinforce the behaviour of employees by rewarding them. The powerful tool available for the leadership of an organization is rewarding employees for desired actions and outcomes.

(Perce & Robinson, 2007). A compensation for work outcome of positive value to employee is referred to as a reward (Armstrong, 2006).

It is very important for organization while implementing strategy to consider developing a reward policy and practice. (Barney and Hesterly, 2008). Adoption of a compensation policy that goes hand in hand with and reinforces its strategies is found to likely implement the adopted policies compared to a company adopting strategies that do not match company strategies Armstrong, (2006). Engagement and commitment of employees is improved through a reward strategy that also creates opportunities for people to contribute and feel recognized and valued.

Contemporary human resources management finds paying for performance as a big issue which has long been believed that productivity is enhanced when there is a linkage between performance and payment by results systems and incentives are structured to support belief. (Rudman, 2003). It has been established that there is a positive relationship between payment as per performance and employee performance. (Huselid, 1995; Dotty, 1996; Goel (2008). There are two type of rewards that employees receive intrinsic and extrinsic rewards. (Armstrong, 2008, Dessler, 2006, Goel 2008). Rewards paid in terms of pay bonuses, promotion, special assignments, time off, office fixtures verbal praise and awards are referred to as Extrinsic rewards (Dessler, 2006; Armstrong, 2008).while self-administered are intrinsic rewards.

Due the diversity among people then reward systems should be revised to as to provide a range of rewards time off, recognition, promotion and pay (Armstrong, 2008). Through rewards employees are encouraged to have a repeat of appropriate behaviour. Usage of team incentives has been widely spoken about by different scholars, for example, Dessler (2008) indicated that organization that are managed in teams should put in place plans that encourage teamwork and place more attention on performance on focus team members. Goel (2008) argued that if payments are made in terms of performance will effectively motivates and registers a clear message that high level of performance is expected and will be rewarded. However reward should not be determined by a narrow definition of output, rather it should be based on appraisals of each individuals contributions to the team performance, company, and unit depending structure of the company. According to Johnson, Scholes and Whittington (2006) reward planning should put into consideration the reality of more team working in strategies deliverance.

The complexity of uniqueness of each individuals and maintenance of different values systems makes it difficult to establish incentives that are meaningful. Since rewards varies from one employee to the other which results in variation in rewards received by each employee Dessler, (2006). Motivation theory states that money is a motivator. (Maslow, 1943); Hertzberg differed with the former theory about money being a motivating factor but instead in his two factor theory he has classified money differently as an hygiene factor. Rewards and money might work well as motivators but only when balanced against potential drawbacks and packaged with ongoing verbal recognition, support and encouragement. The behaviour of people and managers towards per suing organizational objectives is influenced by how budgets, targets and rewards are structured (Johnson, Scholes & Whittington, 2006).

It is critical to give due consideration that non-financial may differ depending on the nature of individual employee characteristics and nature of the employment (Murlis, 2006). Social recognition, feeling part of a community, a sense of personal achievement and social and societal responsibility are some of the non financial rewards, Hatice, (2012). Very productive are motivated employees William & Kinicki (2008); and hence help to improve performance.

Rewards can be broken down into two broad types, intrinsic and extrinsic Hatice, (2012). Intrinsic rewards are derived from "the content of the task itself and include such factors as interesting and challenging work, self-direction and responsibility, variety, creativity, opportunities to use one's skills and abilities and sufficient feedback regarding the effectiveness of one's efforts. Extrinsic rewards on the other hand comprise promotions, private office space and the social climate. Other examples include competitive salaries, pay raises, merit bonuses and time-off" Hatice, (2012).

Research has shown that employees derive satisfaction from the work they do in terms of accomplishing set targets, taking up challenging jobs, taking responsibility and working to enhance personal and professional growth. These are regarded as intrinsic rewards because they fill a particular need for employees. Intrinsic rewards according to Thomas (2009) are psychological rewards that employees get from doing meaningful work and performing it well.

A good reward system that focuses on rewarding employees and their teams will serve as a driving force for employees to have higher performance hence end up accomplishing the organizational goals and objectives. An effective reward program may have three components: immediate, short-term and long term. This means immediate recognition of a good performance, short- term rewards for performance could be offered monthly or quarterly and long- term rewards are given for showing loyalty over the years Schoeffler, (2005). Immediate rewards are given to employees repetitively so that they can be aware of their outstanding performance. Immediate rewards include being praised by an immediate supervisor or it could be a tangible reward. Short term rewards are made either monthly or quarterly basis depending on performance. Examples of such rewards include cash benefits or special gifts for exceptional performance.

Rewarding should not only be applied to individual employees within the organization to teams that perform excellently.Incentives given for good behaviour usually improve the relationship between the employees and management because employees feel that they are being appreciated for their efforts and good work. This leads to increased employee morale, better customer care as well as increased productivity. Long-term rewards are awarded to employees who have been performing well. Such an employee will become loyal to his or her organization and it reduces employee turnover. Long term rewards include being made partner, or cash benefits that mature after many years of service or at retirement. These rewards are very strategic for retaining the best human resources Yokoyama, (2010).

For rewards to be effective they have to be seen as fair. This means there has to be openness with respect to information about how the reward system operates and how employees will be rewarded. Employees should also be involved in designing the reward system and its administration Thomas (2009). In employee recognition process, employees are praised which is a key essential as employees seek the need to be valued and respected. This process increases individual productivity, loyalty, retention and high employee satisfaction Danish & Usman, (2010). Non-monetary incentives attract, motivate and retain competent human resource in the organization (Fogleman & McCorkle, 2013; Ahmed & Ahmed, 2014).

Extrinsic rewards increases the level of employee performance and satisfaction also found as a strong factor for employee motivation Saeed, et al., (2013). Intrinsic rewards were found to be a sustainable source of motivation for employees. Extrinsic rewards are more positive and stronger in relation to intrinsic rewards in retaining employees (Yokoyama, 2010).

Reward and compensation are the forms of tangible benefits and financial returns that an employee receives, however with the emerging economy and the present work environment the rewards and recognition takes in different forms. These include performance based rewards, employee recognition, non-monetary incentives, extrinsic rewards, and intrinsic rewards. Performance based pay improves employee performance in addition to motivating and engaging employees (Harvey-Peter, 2010; Fauzi, et al., 2013).

A study conducted in two districts in Burkina Faso, cited by Ridde (2010) entitled effects of reward on employee performance in organization in commercial banks Awka (2009) found that per diem income exceeded health worker salaries. Policymakers have justified spending on per diems because of the important benefits, including reimbursement of workrelated expenditures, encouraging professional development activities, and motivating employees to work in remote areas or under difficult conditions. But increasingly, per diems are a strategy for salary subsidy as health care workers react pragmatically to the financial difficulties caused by extremely low salaries or pay checks.

A study conducted by Frye (2006) entitled the impact of HRMP on turnover, productivity and corporate financial performance showed a positive relationship between compensation and organization performance. Frye (2006) reported that compensation strategies play an important role in recruiting and retaining skilled employees.

Most of the firms used Performance-based compensation to reward employees Collins and Clark, (2008). Performance-based compensation positively influences employee's performance Danish & Usman, (2010). A research study by Ridde (2010), entitled 'Impact of HRM practices on employee's performance' showed a significant relationship between compensations and employee performance. An effective HRM strategy is to integrate performance and compensation system that enhance employee's will to work effectively and efficiently (Wright, 2009). Teseema and Soeters (2006) indicate a significant that employer view compensation practices in a favourable light as compensation practices heavily influence employee recruitment, turnover and productivity.

### **2.4 Overview of Literature**

ALDamore (2012) consider HRM practices as a significant predictor of organizational performance. Evidence has been provided in the background from the National human resource for health strategic plan (2012) that providing health care services for all Kenyans remains a challenge. The plan points out on the lack of proper execution and implementation of human resource planning, recruitment and motivation, capacity building and employee welfare leading to poor performance among the health workers. Various factors have been identified in the literature review that contribute to poor performance of employees in the health sector because of not properly administering and implementing the human resource management practices.

Past researches have also been conducted in other entities in Kenya including Nairobi securities exchange (Sagwa, Obongo, & Ogutu 2013), Commercial bank (Ngui 2014), and public university (Mutahi 2012), Institution of higher learning (Munjiri 2013). Large scale tea farms (Kiptts, Kwasira & Cheruiyot (2014), Studies have also been conducted in other countries like Malaysia (Abdullah 2010), Pakistan (Shahzad,Bashir &Ramay (2008) Nigeria (Osemeka 2012), South Africa (Nzukuma & Bussin 2011) Japan (Gamage 2014), Sri lanka (2011), Eritrean (Tessema & Soeters 2006).

Author	Focuses of studies	Context	Methodology	Finding & Recommendations
Ngui (2014)	Effects of HRM strategies on performance of commercial banks	Commercial banks	Mixed method approach	Commercial banks should develop and document HRM strategies that are linked with overall banks strategies
Kiptis, Kwasira &Cheruiyot (2014)	Effects of HRMP on employee performance	Large scale tea farms in Kuresoi South- District Kenya	Descriptive research design	The findings indicate a strong relationship between employee training, employee welfare practices having a positive correlation with employee performance
Shahzad, Bashir & Ramay (2008)	Impact of HR practices on perceived performance	Universities teachers in Pakistan	Descriptive design	There was a positive relationship performance while performance evaluation practices are not significantly correlated with perceived employee performance
Addullah (2010)	Effects of HRMP on business performance	Private companies in Malaysia	Descriptive design	HRMP are found to be correlated with business performance with the exception for compensation/ incentive and employee security.
Munjuri (2013)	Effects of HRMP in enhancing employee performance	Catholic Institute of Higher Learning	Descriptive design	HR practices have a strong correlation with employee performance
Mutahi (2012)	Effects of HRMP on performance of public universities in Kenya	Public universities in Kenya	Co relational research design	Reward management is more important than resourcing practices and training and development in as far as enhancement of public universities

# Table 2.1: Summary Tabulation of Empirical Studies

Sagwa,		Effects of HRMP on	Nairobi	Cross-sectional	There was a positive
Obongo	&	employee outcome	security	descriptive	relationship between HRMP
Ogutu			Exchange	survey	and employee outcome
(2012)				-	

A study has not yet been done on selected hospitals in Machakos town unveiling the influence of HRMP on employee performance in the health sector.

# **2.5 Conceptual Framework**

The conceptual framework used for the study shows that HRMP influences employee performance in the selected hospitals in Machakos town .The practices include; manpower planning, Recruitment and selection, Training and development and Reward and compensation. The dependent variable is employee performance and therefore performance of the employees in the selected hospitals depends on HRMP as presented in figure 2.1

### **Independent Variables**

#### **Dependent Variable**

#### Human resource management practices

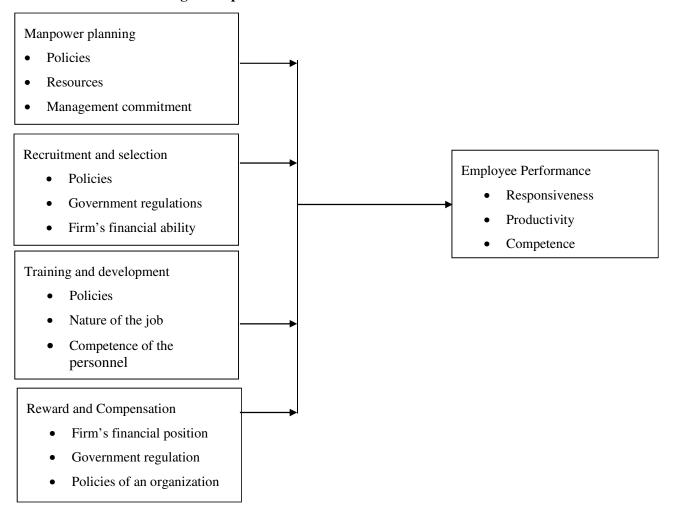


Figure 2.1: Conceptual Framework showing the influence of HRMP on employee performance in the health sector in Kenya.

### Source: Jemmy, (2017)

Manpower planning entails the practice of establishing the current demand for labour in the organization and the future supply for labour putting into consideration the strategic plans and the performance of competent employees in the organization. Recruitment and selection is an important human resource management practice which seeks to identify the most competent person with the minimum qualification to occupy an office. This aids in enhancing good performance with the existing manpower of the organization. Training and development aims at establishing the current and future performance of employees by improving their skills, knowledge, attitude, behaviour likely to improve their abilities. The practice enhances efficient and effective performance of the employees. Reward and compensation activities in an organization aids in rewarding employees for their contribution through their input to the organization. This is important because the organization is able to create wealth and the employees are able to meet their needs hence increased performance

### **CHARPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

### **3.1 Introduction**

This chapter particularly highlights the research design to be applied when conducting the study. It describes the target population, the sample size and sampling technique, data collection instrument, data collection procedure and data processing and analysis.

#### **3.2 Research Design**

Creswell and Piano (2007) asserts that a mixed research design is a method that focuses on collecting, analysing, and mixing both qualitative and quantitative data in a single study or a series of studies. A study done by Ngui (2014) on the effects of HRM strategies on performance of commercial banks in Kenya adopted mixed method approach and therefore mixed research design was adopted for the study". The researcher used the design because a combination of both the qualitative and quantitative approach provided a better understanding of a research problem as opposed to the use of either one of them Creswell and Piano, (2007). The qualitative research design was descriptive in nature having the ability to represent findings of the study as they presently exist without making any alterations while the quantitative research design showed the relationship between the independent and dependent variables in numerals statistics.

## 3.2.1 Operationalization and Measurement of Variables

The table below shows operationalization of the dependent and independent variables. Measurement of the variables was done within the scale of 1-5 where 1 represented strongly agree, 2-Agree, 3- I don't know 4- Disagree and 5 - strongly disagree.

Variables	Туре	Operationalization	Measurement
Employee performance	Dependent	Employee performance is influenced by manpower planning, recruitment & selection, training & development and reward &compensation	Scale (1-5)
manpower planning	Independent variable	Proper execution of manpower planning leads to attraction and retention of the most competent personnel	Scale (1-5)
recruitment &selection	independent variable	"Proper recruitment and selection of the right person matching to the right job enhances quality output".	Scale (1-5)
Training & development	independent variable	Training and development of employees in an organization enhances productivity	Scale (1-5)
reward & compensation	Independent variable	Reward & compensation on employees leads to more responsive and committed workforce in an organization	Scale (1-5)

 Table 3.2: Operationalization & measurement of variables

# **3.3 Target Population**

According to world health organization (WHO) hospitals are health care institutions that have an organised medical and other professional staff and impatient facilities and deliver

services 24 hours per day, 7 days per week. They offer a varying range of acute, convalescent and terminal care using diagnostic and curative services.

The study targeted a total of 709, comprising of 515 employees of Machakos Level Five Hospital, 81 from Bishop Kioko Catholic Hospital and 113 from shalom community which constituted of the top management who comprise of the (chief executive officer, the chief finance officer, the president of human resource, director of nurses, nurse manager, medical assistant and medical secretary), doctors, pharmacists, clinical officers and nurses. Below is a table showing the different categories of healthcare staff and their number.

**Table 3.3: Target population** 

Public hospital	Population category	Number
Machakos level five hospital	Management <ul> <li>Top management</li> </ul>	26
	<ul> <li>Technical staff</li> <li>Doctors</li> <li>Clinical officers</li> <li>Pharmacists</li> <li>Nurses</li> </ul>	25 24 54 386
Private hospitals Bishop kioko catholic hospital	<ul><li>Population category</li><li>Management</li><li>Top management</li></ul>	Number 5
Shalom community hospital	Technical staff • Doctors • Clinical officers • Pharmacists • Nurses Management	3 15 8 50
Snalom community nospital	<ul> <li>Management</li> <li>Top management</li> <li>Technical staff</li> <li>Doctors</li> <li>Clinical officers</li> <li>Pharmacists</li> <li>Nurses</li> </ul>	4 3 12 6 88
TOTAL		709

Source: Machakos Level Five Hospital staff returns (2016)

Bishop Kioko Catholic Hospital policy manual (2016)

Shalom community Hospital staff records (2016)

Top management was targeted because they are charged with the responsibility of making sure that the human resource management practices are operational in the organization. The doctors and clinical officers have the role of ensuring correct diagnosis, undertaking patient's consultation, monitoring and administering medication. The pharmacists prepares medication by reviewing, interpreting and dispensing medicines to patients as prescribed by the doctors and the clinical officers. The nurses on the other hand care for the patients by administering medications, observing and monitoring records and communicating with the doctors and clinical officers.

# 3.4 Sampling size and Sampling technique

# 3.4.1 Sample size

Sample size refers to the number of items to be selected from the universe to constitute a sample Kothari, (2004). The researcher used the formula of fishers *et al* (1991) for determining the sample size;

$$n = \underline{z^2 pq}$$
  
 $a^2$   
 $n = \underline{1.96^2 * 0.5 * 0.5}$   
 $0.05^2$   
 $n = 384$  Where; z- is the z-value = 1.96

p - Population proportion 0.50

Q = 1-p

a - level of significance = 5 %

Adjusted sample size (Nf) n/(1+(n)/N)

$$Nf = 384/(1 + (384)/709)$$

$$Nf = 249$$

According to Mugenda (2003) the above formula

nf = desired sample size when the population is less than 10,000

n = desired sample when the population is more than 10,000

N = estimate of the population size

# **3.4.2** Sampling technique

Sampling technique refers to, "the part of the research plan that indicates how cases are to be selected for observation mugenda, (2009). Census was used to select the private and the public hospitals in Machakos town because of their limited number. The researcher then used stratified random sampling to select the top management, doctors, pharmacists, clinical officers and nurses from the identified strata's. Stratification was done by dividing the population into homogenous groups that have similar characteristics based on the different categories' of healthcare workers. Simple random sampling was then used to select respondents from each group". The table below shows the different strata of healthcare staff with sample sizes obtained from the population.

Public hospital	Category	Population size	Sample size
Machakos level five hospital	Management <ul> <li>Top management</li> </ul>	26	9
	Technical staff • Doctors • Clinical officers • Pharmacists • Nurses	25 24 54 386	9 8 19 136
Private hospitals 1.Bishop Kioko catholic hospital	Management • Top management Technical staff • Doctors	5	2
2. Shalom community	<ul> <li>Clinical officers</li> <li>Pharmacists</li> <li>Nurses</li> <li>Management</li> <li>Top management</li> </ul>	15 8 50 4	5 3 18 1
hospital	Technical staff Doctors Clinical officers Pharmacists Nurses	3 12 6 88 709	1 4 2 31 249

 Table 3.4:
 Sample Size

# **3.5 Data Collection Instrument**

The study used questionnaires that were filled in order to obtain information from the respondents. George & Jones (2008), say a questionnaire is a research instrument of a series of questions and other prompts for the purpose of gathering information from respondents. The researcher used structured questionnaire with both open and close ended questions. Questionnaires were self-administered to the selected respondents because of their literate abilities to fill in the research instrument. The researcher chose the questionnaire because it was easy to administer, cheap and economical, it is free from the bias of the interviewer because answers are respondents own word, confidentiality of the research instrument is

guaranteed and collect and record information about a particular issue of interest". The questionnaire consisted of section A containing personal information of the respondents and section B capturing on the dependent and independent variables consisting of the employee performance, manpower planning, recruitment and selection, training and development and reward and compensation. Likert, (1932) asserts that a" Likert scale" is the sum of responses to several Likert items. A five-point Likert scale anchored by1- agree, 2-strongly agree, 3- I don't know,4- disagree,5- strongly disagree and were used to measure the perceived influence of HRMP on employee performance. It is a useful question type when one wants to get an overall measurement of sentiment around a particular topic, opinion, or experience and also to collect specific data on factors that contribute to that sentiment (Likert, 1932).

## **3.6 Data Collection Procedure**

The following procedure was used to collect data: A letter of introduction was obtained from Machakos University in the department of business entrepreneurship and management sciences through the post graduate coordinator, The researcher also obtained permission from National Commission for Science, Technology and Innovation (NACOSTI) to carry out the research, The researcher then visited Machakos Level Five to seek permission from medical superintend who gave permission to carry out the research in the institution, she also visited Bishop Kioko catholic hospital and shalom community hospital, The researcher visited the various sections to speak to the officers in charge in order to obtain permission to collect data from each of the selected units, With the help of the officers in charge of every unit the researcher was assisted to sample some staff from each of the strata in order to assist in filling the questionnaire, The researcher then administered the questionnaire with the help of the officers in charge of those units, ,The researcher then collected the questionnaires that had already been filled after three weeks as would be agreed upon.

### **3.7 Pilot Testing**

Pilot testing also known as pre-testing means small scale trials run of a particular component of a questionnaire. Sound measurement must meet the tests of validity, reliability and practicality" (Kothari, 2004).

### 3.7.1 Reliability of the Research Instruments

Reliability of instruments refers to how consistent the results from a test are Mbwesa (2006) defines reliability as the degree to which a measure supplied consistent results. According to Mugenda and Mugenda (2003) pre-testing an instrument is meant to ensure that items in the instrument are stated clearly and have the same meaning to all respondents. The study used cronbach's alpha to measure reliability of the questionnaire. The coefficient of internal consistency is computed as Alpha=Nr/= (1+r (N-1))

Where r= the mean of inter-item correlation

N=number of items in the scale

In this technique, the more the number of items in a scale, the higher the reliability as long as the added items does not reduce the average inter-item reliability ((Berg, 2007). Cronbach's alpha reliability coefficient ranges between 0 and 1.The closer the Cronbach's alpha is to 1.0 the greater the internal consistency of the items. Cohen, Manion, & Morison (2007) provide the following rules '' a> 0.9 Excellent, a \_> 0.8 Good, a\_> 0.7 Acceptable, a > 0.6 Questionable, a > 0.5 Poor .The attainment of a\_>0.8 will be probably a reasonable goal.

# **3.7.2 Validity of the Research Instruments**

Mugenda and Mugenda (2003) define validity of an instrument as a measure of the degree to which the results obtained using the instrument represented the actual phenomenon under study. This assisted the researcher to gather accurate and meaningful data which was based on the research results that are consistent. Cohen, Manion, & Morison (2007) Proposes the following factors which may lead to higher validity by minimising the possibility of bias: the attitude, views and prospects of the interviewer; a tendency for interviewer to see the interviewee on his/her own merits, a tendency for interviewers to seek answers to support their preconceived notions, misperceptions on the part of the interviewer with regard to what the interviewee is saying and misunderstanding on the part of the interviewee with regard to what is being asked. Validity was established by consulting the supervisors on the appropriateness of the content coverage of the questionnaire verses the issues that were studied.

### **3.8 Data Processing and Analysis**

Data processing involved editing, coding, data entry, verification; tabulating and computing (i.e. percentages, averages, frequencies and regression coefficients) Descriptive statistics was computed on independent variable in order to describe the data collected. This aided in determining the extent to which HRMP influence the performance of employees. The study then used the SPSS program version 18 to analyse the quantitative data collected. Quantitative data was presented by the use of frequency tables, graphs, pie-charts and explanatory notes.

Empirical models are those that are based entirely on data (Orodho 2012). He noted that these assumptions ensure the relationship between variables. Multivariable linear regression analysis will be carried out to establish the influence of HRMP on employee performance. Employee performance was therefore the dependent variable while Manpower planning, Recruitment & selection, Training & development and Reward & compensation were the independent variable. The following relationship between the dependent and the independent variables was established.. Employee performance depends on HRMP and can be expressed as follows; P=f (c)

Where P is employee performance

C is HRMP

Where employee performance was measured by competency, responsiveness and employee productivity while HRMP was measured by Manpower planning, Recruitment & selection, Training & development and Reward & compensation. Therefore regression model can be expressed as follows;

 $P = a + a_1 x_1 + a_2 x_2 + a_3 x_3 + a_4 x_4 + e$ 

Where a is the intercept coefficient of regression

a<sub>1</sub>, a<sub>2</sub>, a<sub>3</sub>, a<sub>4</sub> are regression coefficients

x1 – Manpower planning
x<sub>2</sub>- Recruitment &Selection
x3- Training & development
x4- Reward & compensation
e- Error term

Analysis carried out included the analysis of variance by the use of ANOVA and correlation analysis to analyse the association between independent and dependent variables. Regression analysis was also used to draw a summary of dependent variables as a result of the changes in the independent variables.

### CHAPTER FOUR

### DATA ANALYSIS, PRESENTATION AND DISCUSSIONS

## 4.1 Introduction

This chapter discusses the data analysis, interpretation, presentation and discussion of the findings obtained from the field. The chapter presents the background information of the respondents, findings of the analysis based on the objectives of the study. Descriptive and inferential statistics have been used to discuss the findings of the study.

### 4.2 Response Rate

The study targeted 249 respondents, 240 of the respondents filled and returned the questionnaire, forming a response rate of 96.4%. A response rate of 50% is adequate for analysis and reporting; a rate of 60% is good and a response rate of 70% and over is excellent" (Mugenda & Mugenda (2008). Hence the response rate is excellent having collected 240 questionnaires to analyse data. This is as shown in Table 4.1

Response	Frequency	Percent
Returned	240	96.4
Unreturned	9	3.6
Total	249	100.0

Table 4.1	Response	Rate
1 abic 4.1	Response	mun

# 4.3 Reliability Analysis

Reliability analysis was done to determine the reliability of the questionnaire. The study used the Cronbach's Alpha. Gliem and Gliem (2003) established the Alpha value threshold at 0.7, thus forming a benchmark for the study. The Cronbach's alpha was used to determine the reliability of each objective. The findings as shown in table 4.2 indicate that Manpower planning alpha of 0.745, Recruitment and selection alpha of 0.781, Training and

development alpha of 0.821 and reward and compensation alpha of 0.808. This shows that that all the variables are reliable.

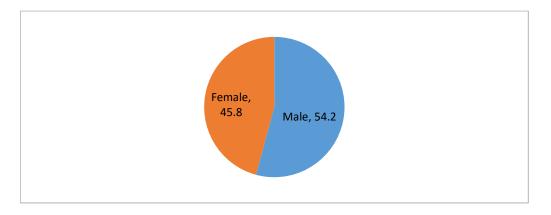
Scale	Cronbach's Alpha	Number of Items
Manpower planning	0.745	12
Recruitment and selection	0.781	10
Training and development	0.821	13
reward and compensation	0.808	14
The Overall Cronbach's Alpha Test	0.788	49

<b>Table 4.2:</b>	Reliability	Analysis
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### **4.4 Demographic Information**

# 4.4.1 Gender of respondents

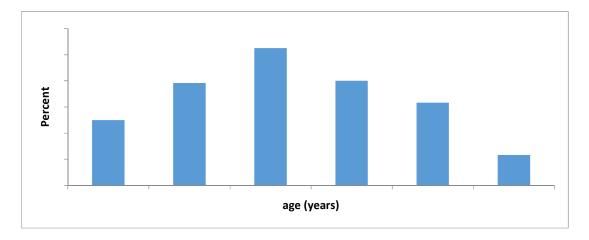
The respondents were asked to indicate their gender. The results were as shown figure 4.1. According to the findings, 54.2% of the respondents were male while 45.8% were female. This shows that both genders were considered in the study. This showed that the organizations had met the threshold of employment under the employment Act with more than one third of the respondents been female hence appropriate for the study.



### **Figure 4.1: Gender of respondents**

#### 4.4.2 Age of respondents

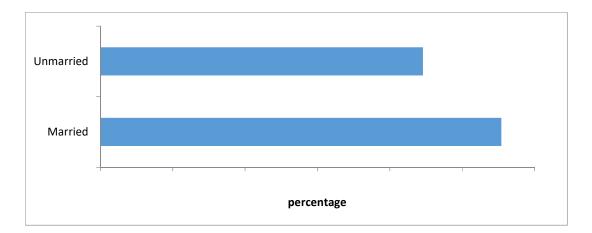
The respondents were asked to indicate their age bracket. The results were as shown figure 4.2. According to the findings, 26.3% of the respondents were aged between 41 to 50 years, 20.0% were aged between 51 to 60 years, 19.6% of the respondents were aged between 31 to 40 years, 15.8% of the respondents were aged between 61 to 70 years, and 12.5% of the respondents were aged between 20 to 30 years and 5.8% of the respondents were above 70 years. From the table it is clear that the organizations have the right staff mix having most of the employees aged between 40-60 years hence information collected was reliable for the study.





#### 4.4.3 Marital Status of Respondents

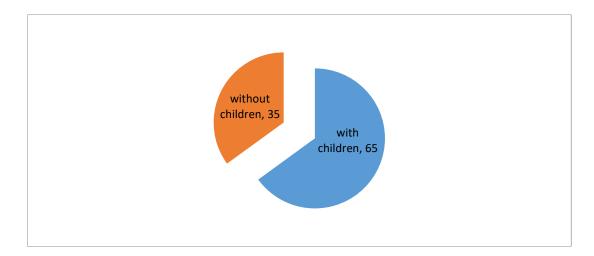
"The respondents were asked to indicate their marital status. The results were as shown figure 4.3. According to the findings, 55.4% of the respondents were married while 44.6% were unmarried". This shows that individuals with different marital statuses were considered in the study hence varied opinions obtained based on the diversities of the different people



# Figure 4.3: Marital status of respondents

## 4.4.4 Family status of respondents

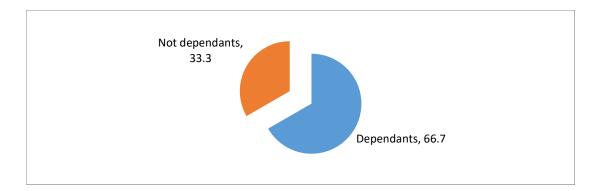
The respondents were asked to indicate their family status. The results were as shown figure 4.4. According to the findings, 65% of the respondents had children while 35% did not have children. This shows that most respondents had families with children hence committed to their jobs and having focused and positive minds hence information collected was reliable.



## **Figure 4.4: Family status of respondents**

# 4.4.5 Children dependency

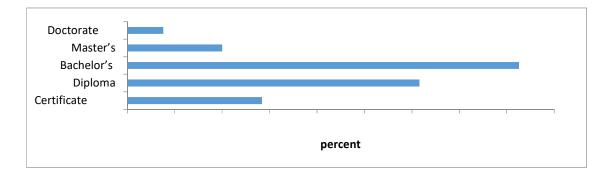
The respondents were asked to indicate the children dependency. The results were as shown figure 4.5. From the findings, 66.7% of the respondents were dependent children while 33.3% were not dependent. This shows that most of the respondents' children were dependent".





#### **4.4.6 Educational level of respondents**

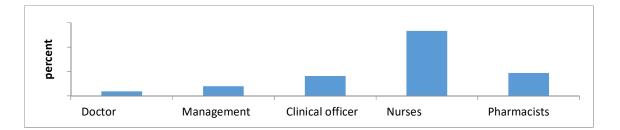
The respondents were asked to indicate their level of education. The results were as shown figure 4.6. According to the findings, 41.3% of the respondents were bachelor holders, 30.8% had diplomas, 14.2% of the respondents had certificates, 10.0% of the respondents had masters, and 3.8% of the respondents had doctorates. This indicates that most of the respondents had bachelor and were capable of understanding and interpreting the questions in the questionnaires appropriately hence more accurate data obtained.



### Figure 4.6: Educational level of respondents

### 4.4.7 Designation of Respondents

The respondents were asked to indicate their designation. The results were as shown figure 4.7. According to the findings, 53.3% of the respondents were nurses, 18.8% were Pharmacists, 16.3% of the respondents were clinical officers, 7.9% of the respondents were management, and 3.8% of the respondents' doctors. This indicates that each category of respondent was represented in the study hence their views collected and analysed.



# **Figure 4.7: Designation of respondents**

### 4.4.8 Years of work experience of respondents

The respondents were asked to indicate the work experience in form of years. The results were as shown figure 4.8. According to the findings, 47.5% of the respondents had less than 2 years of experience, 37.5% were between 2 to 10 years, 10.0% of the respondents were between 11 to 20 years, and 5% of the respondents were above 20 years. The

respondents had at least two years and above of work experience hence well exposed to the practices of the organization.

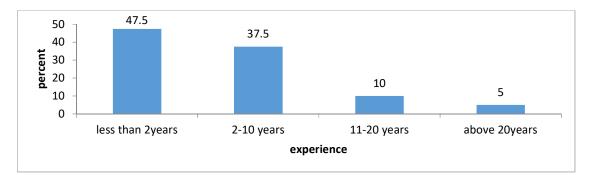
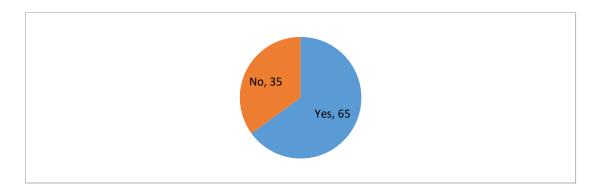


Figure 4.8: Years of work experience of respondents

# 4.5 Descriptive Statistics

### 4.5.1 Manpower planning

The respondents were asked to give their opinion on whether manpower planning influences the employee performance. The results are as presented in Figure 4.9 below.



#### **Figure 4.9: Manpower Planning**

From the findings 65% of the respondents agreed that manpower planning influences the employee performance while 35% disagreed. This implies that manpower planning influences the employee performance. According to the findings the respondents agreed that the organization is faced with the challenges of dealing with surplus staff as shown by a mean of 4.054, there are cases of ghost workers as shown by a mean of 4.058, the

organization is overstaffed as shown by a mean of 4.017, future labour requirement is based on corporate plans of the organization as shown by a mean of 4.000.

Top management involves the employees in giving their opinion on manpower planning as shown by a mean of 4.067, there are cases of impersonation as shown by a mean of 3.992, the organization is understaffed as shown by a mean of 3.983, am familiar with some of the techniques used in manpower planning as shown by a mean of 3.988, top management has put much effort in achieving the ideal number of staff as shown by a mean of 3.975.

The organization has a manpower review plan as shown by a mean of 3.946, the organization set enough resources to ensure effective manpower planning as shown by a mean of 3.904 and the organization been faced with the challenges of dealing with shortage of staff as shown by a mean of 3.892. These findings concur to the findings of Gupta (2008) who argued that, HRP prepares appropriately employees for potential rationalization. It further enables a firm to make adequate preparations for recruitment and strategic hiring. Manpower planning is essentially important and it has an influence on employee performance though it's not wholly executed this however a significant effect on the performance of the health workers has.

Formal Declarations	Strongly Disagree	tree	l don't know	ه	Strongly Agree		
	Stron	Disagree	I don	Agree	Stron	Mean	VULS
Top management has put much effort in achieving the ideal number of staff	11	15	21	115	78	3.975	0.900
Top management involves the employees in giving their opinion on manpower planning	9	14	19	108	90	4.067	0.938
Am familiar with some of the techniques used in manpower planning	10	16	17	121	76	3.988	0.930
There are cases of ghost workers	8	13	18	119	82	4.058	0.952
The organization is understaffed	9	13	18	124	76	3.983	0.957
The organization been faced with the challenges of dealing with shortage of staff	11	15	22	122	70	3.892	0.912
The organization is overstaffed	8	13	19	127	73	4.017	0.953
The organization is faced with the challenges of dealing with surplus staff	5	12	17	132	74	4.054	0.998
The organization has a manpower review plan	12	14	15	121	78	3.946	0.954
The organization set enough resources to ensure effective manpower planning	13	15	19	115	78	3.904	0.913
There are cases of impersonation	12	13	16	123	76	3.992	0.946
Future labour requirement is based on corporate plans of the organization	9	12	18	132	69	4.000	0.971

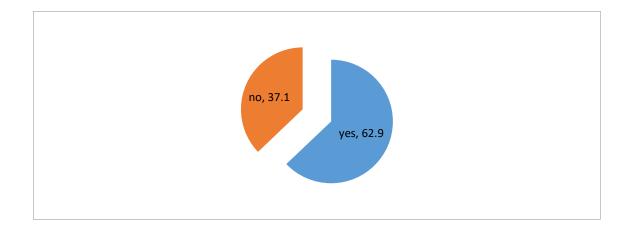
# Table 4.3: Influence of manpower planning on employee performance

The listed is 240 from the likert as shown in the questionnaire

# 4.5.2 Recruitment and Selection

The respondents were asked to give their opinion on whether recruitment and selection has

an influence on employee performance. The results were as presented in Figure 4.10 below.



# **Figure 4.10: Recruitment and Selection**

From the findings 62.9% of the respondents agreed that recruitment and selection has an influence on employee performance while 37.1% disagreed. This implies that recruitment and selection has an influence on employee performance. The respondents were requested to indicate the level of agreement with the following sentiments on recruitment and selection that influence employee performance in organizations. The results were as shown in Table 4.4.

Formal Declarations							
	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree	Mean	STDV.
Recruitment & selection is conducted fairly in the organization	12	21	40	127	40	3.775	0.910
Existence of the recruitment policy of the organization	12	19	27	135	47	3.583	0.804
•	18	26	33	124	39	3.725	0.940
The organization uses both internal and external methods to recruitment employees.	16	16	27	140	41	3.758	1.043

 Table 4.4: Influence of recruitment and selection on employee performance in.

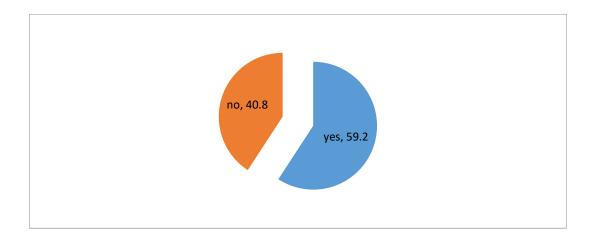
Internal recruitment is enhanced to improve the morale of employees like promotions	11	23	16	153	37	3.721	0.961
1	10	22	22	142	20	2 706	1 022
External recruitment is enhanced to attract	13	22	23	143	39	3.796	1.033
the most qualified employee							
Employees are participated in the	13	21	12	150	44	3.629	0.914
recruitment and selection exercise							
The selection procedure is followed	14	29	24	138	35	3.713	0.969
Proper selection enhances proper	11	20	30	145	34	3.746	0.968
placement of staff							
Recruitment and selection enhances proper	12	19	26	144	39	3.775	0.910
functioning of the other human resource							
management practices.							

From the findings the respondents agreed that external recruitment is enhanced to attract the most qualified employee as shown by a mean of 3.796, recruitment & selection is conducted fairly in the organization as shown by a mean of 3.775, recruitment and selection enhances proper functioning of the other human resource management practices as shown by a mean of 3.775, the organization uses both internal and external methods to recruitment employees as shown by a mean of 3.758, proper selection enhances proper placement of staff as shown by a mean of 3.746, the organization follows the policy guidelines provided on recruitment and selection as shown by a mean of 3.725, internal recruitment is enhanced to improve the morale of employees like promotions as shown by a mean of 3.721, the selection procedure is followed as shown by a mean of 3.713, employees are participated in the recruitment and selection exercise as shown by a mean of 3.629 and existence of the recruitment policy of the organization as shown by a mean of 3.583. These findings concur with, the findings of Ezeali and Esiagu (2010) who stated that recruitment and selection in any organization is a serious business as the success of any organization or efficiency in service delivery depends on the quality of its workforce who was recruited into the organization through recruitment and selection exercises. Recruitment and selection practices are aimed at getting the right person to occupy a vacant position in the

organization and as much as this is true, challenges like not following the policies and procedures make the process difficult hence influences the performance of employees.

# 4.5.3 Training and development

The respondents were asked to give their opinion on whether training and development has an influence on employee performance. The results were as presented in Figure 4.6 below.



### **Figure 4.11: Training and development**

From the findings 59.2 % of the respondents agreed that training and development has an influence on employee performance while 40.8 % disagreed. This implies that training and development has an influence on employee performance. The respondents were requested to indicate the level of agreement with the following on training and development that influence employee performance in organizations. The results were as shown in Table 4.5

### Table 4.5: Influence of training and development on employee performance

# Formal Declarations

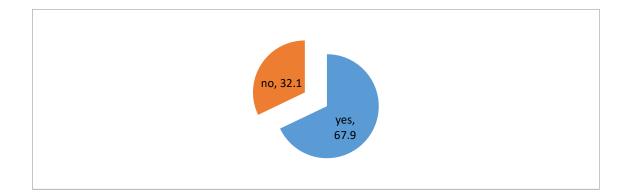
	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree	Mean	STDV.
The organizations have a fair criterion of choosing the employees to be trained.	10	14	16	116	84	4.042	0.947
Existence of policies and procedures that the organizations follow to conduct training.	9	13	18	121	79	4.033	0.947
The organization follows the policy guidelines provided on training.	11	15	19	105	90	4.033	0.922
The top management is committed in developing the employees through training.	9	17	11	127	76	4.017	0.975
Am aware of some of the methods and techniques that the organizations use in training employees.	11	15	17	123	74	3.975	0.933
The organization has clear career path that allows employees to grow.	11	13	13	126	77	4.021	0.973
Employee training and development programs are offered in the organization.	12	14	20	131	63	3.913	0.936
My chances of promotion are dependent on the level of skills and experience I have acquired.	9	11	13	144	63	4.004	1.038
Since joining the organization I have continued to acquire more skills and knowledge relevant to my work.	9	23	14	121	73	3.942	0.914
The organization has an annual employee training plan.	11	19	10	132	68	3.946	0.972
The annual employee training plan is appropriately implemented.	14	16	18	122	70	3.908	0.905

According to the findings the respondents agreed that existence of policies and procedures that the organizations follow to conduct training as shown by a mean of 4.033, the organization follows the policy guidelines provided on training as shown by a mean of 4.033, the organizations have a fair criterion of choosing the employees to be trained as shown by a mean of 4.042, the organization has clear career path that allows employees to grow as shown by a mean of 4.021, the top management is committed in developing the

employees through training as shown by a mean of 4.017, my chances of promotion are dependent on the level of skills and experience I have acquired as shown by a mean of 4.004, am aware of some of the methods and techniques that the organizations use in training employees as shown by a mean of 3.975, the organization has an annual employee training plan as shown by a mean of 3.946, since joining the organization I have continued to acquire more skills and knowledge relevant to my work as shown by a mean of 3.942, employee training and development programs are offered in the organization as shown by a mean of 3.913 and the annual employee training plan is appropriately implemented as shown by a mean of 3.908. These related to Armstrong (2009) who clearly stated in his book that organizations could benefit from training and development through winning the "heart and minds of" their employees to get them to identify with the organization, to exert themselves more on its behalf and to remain with the organization. Training and development are practices aimed at improving skills and knowledge though from table the exercise is not adopted as effectively as it should. This however has an influence on the performance of employees.

### 4.5.4 Reward and Compensation

The respondents were asked to give their opinion on whether reward and compensation has an influence on employee performance. The results were as presented in Figure 4.6 below.



# **Figure 4.12: Reward and compensation**

From the findings 67.9 % of the respondents agreed that reward and compensation has an influence on employee performance while 32.1 % disagreed. This implies that reward and compensation has an influence on employee performance. The respondents were requested to indicate the level of agreement with the following on recruitment and selection that influence employee performance in organizations. The results were as shown in Table 4.10.

### Table 4.6: Influence of Reward and compensation on Employee Performance

Formal Declarations							
	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree	Mean	STDV.
Adequate provision of salaries and other	9	17	21	114	79	3.988	0.898
benefits. Existence of policies that give guidelines on reward and compensation in the organization.	11	15	19	119	76	3.975	0.916
Reward and compensation in the organization is competitive with similar industry.	10	16	20	123	71	3.954	0.915
There is compensation packages put in place in case of any injuries sustained by employees while working as provided for in the work injury benefit Act.	12	18	22	126	62	3.867	0.893
My current salary is commensurate to my skills and level of experience.	11	15	18	132	64	3.929	0.948
The last salary review conducted was based on clear policy guidelines.	13	15	16	139	57	3.883	0.977
I feel am being paid a fair amount for the work i do.	5	13	28	127	67	3.992	0.919
The current employment benefit package is fair and equitable.	9	13	23	133	62	3.942	0.945
There are other employee benefits that have been incorporated in the current benefits package	7	17	24	130	62	3.929	0.920
The organization is among the better paying compared to other organizations.	12	12	22	127	67	3.938	0.924
Provision of group incentives profit sharing	11	13	19	123	74	3.983	0.932
Implementation of skill based pay system	9	13	14	130	74	4.029	0.983
Reward is closely linked to performance Appraisal and the organization rewards excellent performance.							
The organization has a policy of rewarding and compensating employees following attainment of professional certification.	13	17	22	115	73	3.908	0.870

According to the findings the respondents agreed that Implementation of skill based pay system as shown by the mean of 4.029, I feel am being paid a fair amount for the work I

do as shown by the mean of 3.992, adequate provision of salaries and other benefits as shown by the mean of 3.988, provision of group incentives profit sharing as shown by the mean of 3.983, existence of policies that give guidelines on reward and compensation in the organization as shown by the mean of 3.975, reward and compensation in the organization is competitive with similar industry as shown by the mean of 3.954.

The current employment benefit package is fair and equitable as shown by the mean of 3.942, the organization is among the better paying compared to other organizations as shown by the mean of 3.938, there are other employee benefits that have been incorporated in the current benefits package as shown by the mean of 3.929, my current salary is commensurate to my skills and level of experience as shown by the mean of 3.929, the organization has a policy of rewarding and compensating employees following attainment of professional certification as shown by the mean of 3.908, the last salary review conducted was based on clear policy guidelines as shown by the mean of 3.883.

Reward is closely linked to, performance Appraisal and the organization rewards excellent performance as shown by the mean of 3.879 and there are compensation packages put in place in case of any injuries sustained by employees while working as provided for in the work injury benefit Act as shown by the mean of 3.867. The findings are related to the findings of Puwanenthiren (2011) who asserts that compensation is described as base pay and or variable pay. Base pay is tied to the value of the job to the organization in relation to the market value and the expertise required to performing the job. While variable pay is based on the performance of the person in that role which include achieving set targets. Reward and compensation are important HRMP since they aim at compensating an employee for his contribution to the organization though the employees point out that they are not adequately administered hence affecting their performance.

### **4.5.5 Employee Performance**

The respondents were asked to give their opinion on whether employee performance is influenced by HRMP. The results were as shown in Figure 4.13.

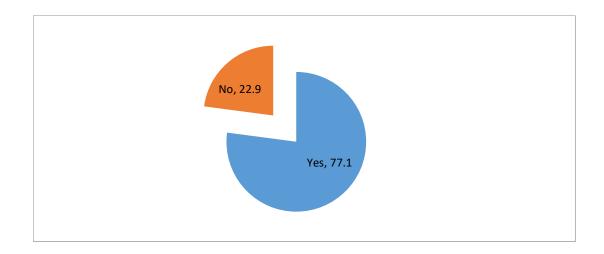


Figure 4.13: Influence of employee performance HRMP

From the findings 77.1% of the respondents agreed that employee performance is influenced by HRMP and 22.9% disagreed that employee performance is influenced by HRMP. This shows employee performance is influenced by HRMP.

The respondents were requested to indicate the level of agreement with the following on employee performance influenced by HRMP in organizations. This was represented on the table 4.13 below

#### Table 4.7: Employee performance

Formal Declarations	Strongly Disagree	Disagree	I don't know	Agree	Strongly Agree	Mean	STDV.
You understand your performance targets clearly	13	18	24	123	62	3.846	0.870
The performance targets are realistic	9	15	19	131	66	3.958	0.948
I always exceed my performance targets	11	15	21	128	65	3.921	0.922
There is a clear employee performance management plan in the organization.	13	13	24	129	61	3.883	0.912
Performance is periodically reviewed	9	13	25	130	63	3.938	0.926
Follow-ups are done on performance reviews	12	17	20	137	54	3.850	0.949

From the findings, the respondent agreed that; the performance targets are realistic as shown by a mean of 3.958, performance is periodically reviewed as shown by a mean of 3.938, I always exceed my performance targets as shown by a mean of 3.921, there is a clear employee performance management plan in the organization as shown by a mean of 3.883, follow-ups are done on performance reviews as shown by a mean of 3.850 and you understand your performance targets clearly as shown by a mean of 3.846. This is in line with ALDamore (2012) who argues that organizations must hire skilled and capable employees in order to be successful in today's global environment. Actual HR practices are applied by line managers on a daily basis that positively impact employee's perception about HRM practices applied to them. The performance of every employee is paramount to the general success of an organization and proper adoption of HRMP influences positively the performance of employees while the reverse is true.

### **4.6 Inferential Statistics**

#### 4.6.1 Correlation Analysis

The correlation analysis is used, to analyse the association between independent and

dependent variables. The results were as shown in table 4.8

		Employee Performance	Manpower Planning	Recruitment And Selection	Training And Development	Reward And Compensation
Employee	Pearson Correlation	1				
Performance	Sig. (2-tailed)					
	Ν	240				
Manpower	Pearson Correlation	.754**	1			
Planning	Sig. (2-tailed)	.001				
	Ν	240	240			
<b>Recruitment and</b>	Pearson Correlation	$.804^{**}$	.342	1		
Selection	Sig. (2-tailed)	.000	.061			
	Ν	240	240	240		
Training and	Pearson Correlation	$.789^{**}$	.434	.545	1	
Development	Sig. (2-tailed)	.002	.056	.057		
_	N	240	240	240	240	
<b>Reward and</b>	Pearson Correlation	.845**	.282	.421	.286	1
Compensation	Sig. (2-tailed)	.000	.097	.065	.187	
_	N	240	240	240	240	240

### **Table 4.8: Correlations**

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

#### 4.6.2 Regression Analysis

The results revealed that there was a strong positive correlation between manpower planning and employee performance as shown by r = 0.754, statistically significant p = 0.002 < 0.01; there was a positive correlation between recruitment and selection and employee performance as shown by r = 0.804, statistically significant P = 0.000; there was a positive correlation between training and development and employee performance as shown by r = 0.789, statistically significant P = 0.002; there was a positive correlation between training and development and employee performance as shown by r = 0.789, statistically significant P = 0.002; there was a positive correlation

between reward and compensation and employee performance as shown by r = 0.845, statistically significant P = 0.000. This implies that manpower planning, recruitment and selection schedules, training and development, reward and compensation generally have a significant effect on employee performance".

#### 4.6.2 Regression Analysis

### **Model Summary**

Model summary is used to analyse the variation of dependent variable due to the changes of independent variables. This shown by table 4. 9

#### Table 4.9: Model Summary

Mo	odel	R	R Square	Adjusted R Square	Std. Error of the Estimate
	1	.799 <sup>a</sup>	0.638	0.629	0.00437

The study analysed the variations of employee performance due to the manpower planning, recruitment and selection, training and development, reward and compensation. Adjusted R squared was 0.629, this implies that there was 62.9% variation of employee performance, due to the changes of manpower planning, recruitment and selection, training and development, reward and compensation. The remaining 37.1% imply that there are other factors that lead to employee performance which were not discussed in the study. R is the correlation coefficient which shows the relationship between the study variables. From the findings, the study found that there was a strong positive relationship between the study variables as shown by 0.799.

## **Analysis of Variance**

The analysis of variance ANOVA is used to determine whether the data used in the study

is significant. This is represented by table 4.12

Mod	lel	Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	18.454	4	4.614	190.943	.002 <sup>b</sup>
	Residual	5.678	235	0.024		
	Total	24.132	239			

 Table 4.10: Analysis of Variance

From the ANOVA statistics the processed data, which is the population parameters, had a significance level of 0.001 which shows that the data is ideal for making conclusions on the population's parameter as the value of significance (p-value) is less than 5%. The F calculated was greater than F critical (190.943 < 2.410), this shows that manpower planning, recruitment and selection, training and development, reward and compensation have significantly influence employee performance.

Table 4.11:	Coefficients

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta	_	
1	(Constant)	0.934	0.186		5.022	0.010
	Manpower Planning	0.465	0.104	0.231	4.471	0.019
	Recruitment And Selection	0.779	0.113	0.303	6.894	0.003

Training And Development	0.589	0.088	0.186	6.693	0.008
Reward And Compensation	0.665	0.096	0.219	6.927	0.001

## Coefficients

From the above table 4.13, the regression equation is

 $Y = "0.934 + 0.465 X_1 + 0.779 X_2 + 0.589 X_3 + 0.665 X_4$ 

The equation above reveals that holding manpower planning, recruitment and selection, training and development, reward and compensation significantly influence employee performance as shown by constant = 0.934".

# Manpower planning and employee performance

Manpower planning is statistically significant to employee performance as shown by ( $\beta = 0.465$ , P = 0.019). This shows that manpower planning had significant positive relationship with employee performance. This implies that a unit increase in manpower planning will result to increase in employee performance.

### Recruitment and selection and employee performance

Recruitment and selection is statistically significant to employee performance as shown by  $(\beta = 0.779, P = 0.003)$ . This indicates that recruitment and selection had significant positive relationship with employee performance. This implies that a unit increase in recruitment and selection will result to increase in employee performance.

#### Training and development and employee performance

Training and development is statistically significant to employee performance as shown by ( $\beta = 0.589$ , P = 0.008). This shows that training and development had significant positive

relationship with employee performance. This implies that a unit increase in training and development will result to increase in employee performance.

## Reward and compensation and employee performance

Reward and compensation is statistically significant to employee performance as shown by ( $\beta = 0.665$ , P = 0.001). This implies that that reward and compensation had significant positive relationship with employee performance. This shows that a unit increase in reward and compensation will result to increase in employee performance.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSION AND RECOMMENDATIONS

### 5.1 Introduction

This chapter presents findings from the study as drawn in the previous chapter. Conclusions are presented based on the findings of the study and the recommendations made on the basis of the findings and conclusions of the study. Suggested areas in which further research can be undertaken ends the chapter.

#### **5.2 Summary of Findings**

### 5.2.1 Manpower Planning and Performance of Employees

The first objective of the study was to determine the influence of manpower planning on the performance of employees on selected hospital in Machakos Town. The study revealed that manpower planning influences the employee performance. The respondents agreed that the organization is faced with the challenges of dealing with shortage of staff, lack of clear job description, new staff are not given proper orientations, there are cases of ghost workers, the organization does not participate the employees in manpower planning, enough resources are not set aside to facilitate the process of manpower planning and this has led to a lot of compromise in this process of human resource planning.

To enhance employee performance in the organization majority of the respondents suggested that future labour requirement should be based on corporate plans of the organization, top management to involve the employees in giving their opinion on manpower planning, the organization adopt techniques that ensure there are enough employees working in the organization, the organization should put in place manpower review plan in order to deal with both shortage and surplus of staff to avoid cases of ghost workers or impersonation and the organization should set enough resources to ensure effective manpower planning.

### 5.2.2 Recruitment and Selection and Performance of Employees

The second objective of the study was to determine the effect of recruitment and selection on the performance of employees on selected hospital in Machakos Town. The study established that recruitment and selection influences the employee performance. Further the study found that organizations have a recruitment & selection policy though it is not followed to the letter. Respondents pointed out that during external recruitment fairness was not exercised. The selection was conducted with already predetermined outcome of the personnel already identified to work in the available vacancies though they actually possess the minimum qualifications. It was pointed out that applicants were not given same level competing grounds and that favourism, internal and external pressures affected the selection exercise, long delays in recruitment and deployment of staff, recruitment & selection procedures were not followed especially in selecting the non-technical staff. The above responses were given largely by employees of Machakos Level Five Hospital.

To enhance employee performance majority of the respondents suggested that external recruitment to be enhanced to attract and retain the most qualified employee, recruitment to be conducted fairly in the organization, the organization should embrace internal recruitment because it improves employee morale, proper selection procedures to be followed because it facilitate proper placement of staff, the organization to follow the policy guidelines provided on recruitment & selection, employees to be participated in the recruitment and selection exercise because it would enhance a sense of belonging.

The third objective of the study was to assess the influence of training and development on the performance of employees on selected hospitals in Machakos Town. The study revealed that training and development has an influence on employee performance. The study also found that plans to train employees have always been discussed but the actual implementation has not been fully been realised. Respondents pointed out that some employees actually falsified documents in order to get per diems to attract travel allowances to train in area that do not much to their area of specialization. It was also pointed out that per-diem policies were affecting proper implementation of HRMP including delays caused by health workers attending programs which do not match their work goals or targets. A lot of concern was also raised in the area of promotion were employees complained of stagnated job grade even after going through rigorous training.

However, to improve the performance of employees majority of the respondents suggested that the policies and procedures that guide training and development of employees should be followed and properly implemented, the organizations should adopt a fair criterion of choosing the employees to be trained guided on identified area of need, the organization should have a clear career path that allows employees to grow, the top management to be committed in developing the employees through training, promotion to be dependent on the level of skills and experience acquired, the organization to have an annual employee training plan and employee training & development programs to be offered in the organization and the annual employee training plan to be appropriately implemented.

#### **5.2.4 Reward and Compensation and Performance of Employee**

The fourth objective of the study was to determine the effect of reward and compensation on the performance of employees on selected hospitals in Machakos Town. The study established that reward and compensation has an influence on employee performance. The study also established that although policies are available on how employees are to be rewarded and compensated they have not been properly implemented. Promotions from one grade to the other have not been effected based to the presentation of an additional professional certificate. Respondents from Machakos level Five Hospital expressed their dissatisfaction with the general payment system with their county governments including freezed promotions leading to lack of increased salaries, lack of group incentives, nonavailability of other benefits among other unsatisfactory claims associated with their pay system and lack of an incentive package for health workers posted in hard reach areas.

To enhance employee performance organizations should implement skill based pay system, adequate provision of salaries and other benefits, provision of group incentives and profit sharing, existence of policies that can be reviewed to give guidelines on reward and compensation in the organization, reward and compensation to be comparable to others offered by a competitive organization in the same area, the reward need to be available to people in the same position and be distributed fairly and equitably, there should be other employee benefits that have been incorporated in the current benefits package, current salary should be commensurate to skills and level of experience, the organization to have a policy of rewarding and compensating employees following attainment of professional certificates, reward should be closely linked to performance Appraisal and the organization should reward excellent performance and there should be compensation packages put in place in case of any injuries sustained by employees while working as provided for in the work injury benefit Act.

#### **5.3 Conclusions**

The study revealed that manpower planning was statistically significant to employee performance. This shows that manpower planning had significant positive relationship with employee performance. This implies that a unit increase in manpower planning will result to increase in employee performance. The study concludes that manpower planning is positively related to employee performance.

The study established that recruitment and selection was statistically significant to employee performance. This implies that recruitment and selection had significant positive relationship with employee performance. This shows that a unit increase in recruitment and selection will result to increase in employee performance. The study concludes that recruitment and selection is positively related to employee performance.

It was found that training and development was statistically significant to employee performance. This shows that training and development had significant positive relationship with employee performance. This implies that a unit increase in training and development will result to increase in employee performance. The study concludes that training and development is positively related to employee performance.

The study revealed that reward and compensation was statistically significant to employee performance. This indicates that reward and compensation had significant positive relationship with employee performance. This shows that a unit increase in reward and

compensation will result to increase in employee performance. The study concludes that reward and compensation is positively related to employee performance.

These findings suggested that there is need for the selected hospitals in Machakos to look into aspects of manpower planning, recruitment & selection, Training & development and most importantly ways of rewarding & compensating employees in relation to their contribution to the organization. Mechanisms that support and address any challenges that might pose as a threat in effectly implementing these practices should be adopted.

### **5.4 Policy Recommendations**

The study investigated on the influence of human resource management practices on employee performance on selected hospitals in Machakos Town .Based on the findings, recommendations were made to the selected hospitals and other private and public hospitals across the different counties in order to improve service delivery to patients who visit the various hospitals.

The study recommends that the management of the hospitals should incorporate manpower planning in their organization. This will help in the development of strategies to match the supply of personnel in the organization. It will also aid employees to grow their skills and knowledge and will also ensure that qualified employees are working in the organization hence aid in improving employee performance.

Organizations should conduct staff rationalization in order to ascertain the actual number of the employees working in the organization. Job analysis should also be conducted properly in order to aid in job description and specification of individual applicants. Job Induction should be conducted well to facilitate familiarization and adjustment of the employees to the organization .The management should also engage human resource management professionals in HRMP. Organizations should follow recommended codes of practice, Justice and fair treatment for all applicants to aid in proper recruitment and selection, the management should recruit and select employees fairly and equitably without any discrimination, this will ensure that the organization gets the right employees fit for the right job. Proper recruitment also enables attraction and retention of the most qualified personnel in the organization who fill the available vacancies. Appropriate and equitable distribution of workers should be a top priority concern of the management. This will address issues of inadequate number of health workers, issues of ghost worker, impersonations, lack of skill inventory and nonavailability of budgetary support that is meant to enhance proper recruitment.

The organization should arrange for training and development activities for their employees. This will ensure that they grow their knowledge, abilities and skills and increase their expertise in the area of work. Proper scrutiny of documents for the employees attending training should properly be done and documented to avoid falsification with the aim of awarding undeserving employees with per diem for purposes of travels. Mechanisms should be established in order to facilitate proper match of employees need for training with work goals or targets.

The management should reward their employees for work well done. This will make employees feel appreciated. Compensating employees is also important because it helps the employees to feel part of the organization hence can contribute positively towards growing and steering the organization to the right direction. Both group and individual reward and incentive programmes should be rolled out in order enhance employee commitment and encourage health completion which would be reflected by the improved employee performance. Establishment of a pay system that is competitive with similar industries would enhance retention and reduce labour turn over.

Devolution of the health sector has actually posed a lot of challenges affecting proper service delivery especially in the public sector. Sentiment from majority of the staff at Machakos level Five Hospital pointed out that the county government seem not to have been adequately prepared to handle and manage the health sector. Issues of salary increments based on laid down policies on promotions have not been effected, recruitment & selection procedures not well adopted and most importantly inadequate payment systems for the employees including lack of promotions after acquiring an additional professionals papers' among other issues of concern. The national government in liaison with the county government should work together to ensure proper implementation of the HRMP through proper management and budgetary provisions.

#### **5.5 Suggestions for Further Studies**

The study explored on the influence of manpower planning, recruitment & selection training & development and reward & compensation on employee performance on selected hospitals in Machakos Town. For better insight on the same, investigations in the private and public sectors in other countries should be done in order to have general view on the influence of HRMP in the health care sectors. Further research in this area should focus on the influence of performance appraisal, health and safety, employee welfare, work-life balance and performance management among other aspects in HRMP on employee performance.

Secondly, a study should be carried out on the influence of Human resource management practices on employee performance under the devolved government system in other economic sectors.

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### **APPENDICES**

## **Appendix I: Introductory Letter**

MACHAKOS UNIVERSITY P.O BOX 136 MACHAKOS Mobile No.0723366664

December, 2016

Dear respondents.

I am a postgraduate student studying Masters in Business Administration in the school of Business and Economics department of Business Administration at Machakos University. I am presently conducting a research on the influence of Human resource Management Practices on employee performance in the health sector in Kenya study selected hospitals in Machakos town. The purpose of this letter is to request you to fill in the questionnaire .Note that the information you provide will be treated with high confidence and at no time will your name or organization be referred directly. This information will only be used for academic purposes

Thank u

Yours faithfully

Jemmy Mutua

## **Appendix II: Questionnaire**

INFLUENCE OF HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE PERFORMANCE IN THE HEALTH SECTOR IN KENYA, STUDY OF SELECTED HOSPITALS IN MACHAKOS TOWN.

Please tick where appropriate and/or write on the space provided (if applicable) SECTION A

# **Background information**

-				
1. Gender				
a) Female {	}			b) Male { }
2. Age				
a) 20-30 { }				d) 51-60 { }
b) 31-40 { }				e) 61-70 { }
c) 41-50 { }				f) above 70 ( )
3. Marital status:				
a) Married {	}			b} Unmarried { }
4. Family status				
a} with children	{	}		b} without children { }
5. If with children state	if:			
a} Dependants	{	}		b} Not dependants { }
6. Educational level				
a} certificate	{	}		d } Master's { }
b) Diploma	{	}		e } Doctorate { }
c) Bachelor's	{	}		
7. Designation				
a) Doctor	{	}		d) Management { }
b} Clinical officer	{	}		e} Nurses { }
c} Pharmacists	{	}		f} If any other (specify}
8. Years of work experie	ence	;		
a} less than 2year	S		{	} c) 11-20 { }
b} 2-10 years			{	} d) above 20 years { }

## **SECTION B**

## Section I : Employee performance.

1. In your own opinion, do you think employee performance is influenced by HRMP?

a) Yes { } b. No { }

2. The following are formal declarations of employee performance influenced by HRMP in organizations. Please tick appropriately on the five point likert scale ranging between 1-5 where 1 will represent Strongly Agree , 2- Agree , 3-Disagree , 4-Strongly Disagree and 5 -I don't Know to show how they are applicable to your organization.

STATEMENTS	RESPONSE					
	1	2	3	4	5	
You understand your performance targets clearly						
The performance targets are realistic						
I always exceed my performance targets						
There is a clear employee performance management plan in						
the organization.						
Performance is periodically reviewed						
Follow-ups are done on performance reviews						

3. Please mention other practices not mentioned above that influences employee performance in your organization

i ...... ii ..... Suggest other practices that you think should be considered in order to enhance employee performance.

.....

# Section II: Manpower planning

3. In your own opinion, do you think manpower planning influences employee performance?

b) Yes { } b. No { }

4. The following are statements on manpower planning that influences employee performance in organizations. Please tick appropriately on the five point likert scale ranging between 1-5 where 1 will represent Strongly Agree, 2-Agree, 3- Disagree, 4- Strongly Disagree and 5- I don't Know to show how they are applicable to your organization.

STATEMENTS	RESPONSE				
Top management has put much effort in achieving the ideal	1	2	3	4	5
number of staff					
Top management involves the employees in giving their					
opinion on manpower planning					
Am familiar with some of the techniques used in manpower					
planning					
There are cases of ghost workers					
The organization is understaffed					
The organization been faced with the challenges of dealing					
with shortage of staff					
The organization is overstaffed					
The organization is faced with the challenges of dealing with					
surplus staff					
The organization has a manpower review plan					

The organization set enough resources to ensure effective			
manpower planning			
There are cases of impersonation			
Future labour requirement is based on corporate plans of the			
organization			

3. Please mention other aspects in Manpower planning practices not mentioned above that influence employee performance in your organization.

.....

Suggest other aspects in manpower planning practices that you think should be considered in order to enhance employee performance.

.....

## Section III. Recruitment and selection

1. In your own opinion, do you think recruitment and selection has an influence on employee performance?

c) Yes { } b. No { }

2. The following are formal declarations on recruitment and selection that influence employee performance in organizations. Please tick appropriately on the five point likert scale ranging between 1-5 where 1 will be represented by Strongly Agree , 2-Agree , 3-Disagree , 4- Strongly Disagree and I don't Know to show how they are applicable to your organization.

STATEMENTS	RES	PONS	E		
Recruitment & selection is conducted fairly in the	1	2	3	4	5
organization					
Existence of the recruitment policy of the organization					

The organization follows the policy guidelines provided on			
recruitment and selection			
The organization uses both internal and external methods to			
recruitment employees.			
Internal recruitment is enhanced to improve the morale of			
employees like promotions			
External recruitment is enhanced to attract the most qualified			
employee			
Employees are participated in the recruitment and selection			
exercise			
The selection procedure is followed			
Proper selection enhances proper placement of staff			
Recruitment and selection enhances proper functioning of			
the other human resource management practices.			

3. Please mention other aspects in recruitment and selection practices not mentioned above that influences employee performance in your organization

.....

Suggest other aspects in recruitment and selection practices that you think should be considered in order to enhance employee performance.

.....

#### .....

# Section IV: Training and development

1. In your own opinion, do you think training and development has an influence on employee performance?

d) Yes { } b. No { }

The following are formal declarations on training and development that influence employee performance in organizations. Please tick appropriately on the five point likert scale ranging

from 1-5 where 1 will represent Strongly Agree , 2- Agree , 3- Disagree , 4- Strongly Disagree and 5- I don't Know to show how they are applicable to your organization.

STATEMENTS	RESPONSE				
The organization have a fair criteria of choosing the employees to be trained.	1	2	3	4	5
Existence of policies and procedures that the organization follow to conduct training.					
The organization follows the policy guidelines provided on training.					
The top management is committed in developing the employees through training.					
Am aware of some of the methods and techniques that the organization use in training employees.					
The organization has clear career path that allows employees to grow.					
Employee training and development programs are offered in the organization.					
My chances of promotion are dependent on the level of skills and experience I have acquired.					
Since joining the organization I have continued to acquire more skills and knowledge relevant to my work.					
The organization has an annual employee training plan.The annual employee training plan is appropriatelyimplemented.					

3. Please mention other aspects in training and development not mentioned above that influences employee performance in your organization

.....

Suggest other aspects in training and development practices that you think should be considered in order to enhance employee performance.

.....

## Section V: Reward and compensation

1. In your own opinion, do you think reward and compensation has an influence on employee performance?

e) Yes { } b. No { }

2. The following are formal declarations on recruitment and selection that influence employee performance in organizations. Please tick appropriately on the five point likert scale ranging between 1-5 where 1 will represent Strongly Agree , 2-Agree ,3- Disagree , 4- Strongly Disagree and 5- I don't Know to show how they are applicable to your organization.

STATEMENTS	RES	PONS	E		
		1			
Adequate provision of salaries and other benefits.	1	2	3	4	5
Existence of policies that give guidelines on reward and					
compensation in the organization.					
Reward and compensation in the organization is competitive					
with similar industry.					
There are compensation packages put in place in case of any					
injuries sustained by employees while working as provided					
for in the work injury benefit Act.					
My current salary is commensurate to my skills and level of					
experience.					

The last salary review conducted was based on clear policy			
guidelines.			
I feel am being paid a fair amount for the work i do.			
The current employment benefit package is fair and equitable.			
There are other employee benefits that have been incorporated in the current benefits package.			
The organization is among the better paying compared to other organizations.			
Provision of group incentives profit sharing			
Implementation of skill based pay system			
Reward is closely linked to performance Appraisal and the organization rewards excellent performance.			
The organization has a policy of rewarding and compensating employees following attainment of professional certification.			

3. Please mention other aspects in reward and compensation practices not mentioned above that influences employee performance in your organization

······

Suggest other aspects in recruitment and selection practices that you think should be considered in order to enhance employee performance.

.....

I register my sincere gratitude for your precious time and co-operation to complete the questionnaire. Please check to ensure that all the questions are filled.

Thank you and God bless