

**INFLUENCE OF INTERNATIONAL ORGANIZATION FOR
STANDARDIZATION (ISO 9001) CERTIFICATION IN STRATEGIC
HUMAN RESOURCE MANAGEMENT PRACTICES IN
COMMERCIAL BANKS IN KENYA**

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DECLARATION

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

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D61/P7147/2004

Supervisor's Approval

This research project has been submitted for examination with my approval as the University supervisor.

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DEDICATION

This study is dedicated to my father the late Ephantus Maina Kamoni and mother Beatrice Mumbi Kamoni.

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I acknowledge the power of God, the maker, and the provider of knowledge for enabling me to complete my two years in the right spirit.

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ABSTRACT

Strategic human resources can be defined based on the distinct levels of contribution that can be delivered by human resources function in any organization as follows: from strategic level, strategic human resources management is the establishment of the overall direction and objectives of keys areas of human resource management in order to ensure that they not only are consistent with but also support the achievement of business goals. Companies adopt ISO standards to control or improve quality of products and services, to reduce the costs associated with poor quality, or to become more competitive.

The objective of this study was to determine the influence of ISO 900 certification in strategic human resource practices in commercial banks in Kenya. The target population was all the 19 commercial banks in Nairobi which are ISO certified. The respondents were heads of human resource departments. The questionnaires were administered using drop and pick later method. Data analyzed using descriptive statistics.

From the findings, it was clear that organizations offered training and development programs to improve employees' competency, which were facilitated by set human resource management practices set. On contribution of the human resource management Practice to organization performance, the study found that good human resources management practices contribute to good performance of the employee. To the training program, the study established that the need to improve performance of the organization and to reduce costs from incompetency were the main reason behind formulation of the training program.

The study recommended that for the organization to retain its standard of service delivery must ensure it give proper directive to the employees in order to improve their efficiency and competence. Further, the study recommended that for the organization to achieve its main objective must recognize practicing human resource management practices and more particularly consider employees initiatives. On training program, the study recommended that all staffs within the organization should be trained on the strategic issues in order to be directed to a common objective for a uniform output.

CHAPTER ONE

INTRODUCTION

1.1 Background

The business world has become increasingly and firms have to compete globally compared to locally in the previous years. One of the sources of competitive advantage in many firms is quality, closely related to quality are the human resource management practices. These practices include internal career opportunities, formal training systems, results oriented appraisals, employment security, hiring, training job descriptions among others. Although many have resorted to implementing these practices in their efforts to stay competitive, there have emerged several new concepts and certificate that can be pursued by these firms so, apart from the importance of strategic human resource management practices, some researchers have raised the issue of International Organization for Standardization (ISO) certification in relation to the implementation of strategic human resource management practices (Taylor, 1995).

1.1.1 Strategic Human Resources Management Practices

Strategy is the direction and scope of an organization over the long term which achieves advantage for the organization through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfill stakeholder's expectations" (Johnson 2000). Strategic human resources can be defined based on the distinct levels of contribution that can be delivered by human resources function in any organization as follows: from strategic level, strategic human resources management is the establishment of the overall direction and objectives of keys areas of human resource management ion

order to ensure that they not only are consistent with but also support the achievement of business goals (Shander, 2006). The specific strategic management system practices are as follows: Integration of human resource management with corporate strategies and management, delegation of human resource practices to line managers, selection system, training and development system, performance appraisal system, compensation system and career planning system (Smith, 2009).

Human resource management practices have been recognized increasingly as a basis for achieving sustained competitive success particularly for firms operating in challenging and rapidly changing international competitive environments, as a result many organizations' have begun to search for firms operating in challenging and rapidly changing international competitive environments, as a result many organizations' have begun to search for possible best practices as one of the most critical components of strategic success for many organizations (Armstrong, 2006). By matching human resource management with strategy, the critical human resource skills, attitudes; behavior's and performance that are needed to successfully implement strategies can be acquired, developed, motivated and effective, they must contribute to the organizations bottom line (Pfeffer, 1994; Huselid, 1995; Guest,1997).

1.1.2 International Organization for Standardization (ISO) Certification

Worldwide, the quest for quality is an endeavor that organizations in every industry embarked on in a continuous effort to succeed. The main objective is for organizations to reach excellent excellence through high-quality products and services, customer satisfaction, and cost reduction with profit optimization (Arauz & Suzuki, 2004). Quality has evolved from the manufacturing sector to the service sector and includes not only

control charts and sampling plans, but also training, human resources, quality and customer satisfaction. According to Wilson, Walsh and Neddy (2003), internationally, there are nearly 60 programs and awards that reward companies for improving quality. Most notable are the Molcom Baldrige Natioal Quality Award, the Deming Prize, six sigma and the ISO programs.

The International Organization for Standardization was created in 1987 by the international Standard Organization, based in Switzerland, in an effort to offer a set of standards that provides a framework for quality management throughout the processes of manufacturing and delivering products and services for the customers. International Standard Organization is a family of standards published by the international Standard Organization that gives requirements for an organization whatever the size or business.

Currently, international Standard Organization is supported by national standards bodies from more than 148 countries. This makes it the logical choice for any organization that does business international standards of quality. In additional, International Standard Organization also allows a company to institutionalize the right attitude by supporting it with the right policies, procedures, practices, records, technologies, resources and structures (Hassan, 2010). Thousands of companies in over 100 countries have adopted the standard, and many more are in the process of doing so. Companies adopt international Standard Organization standards to control or improve quality of products and services, to reduce the costs associated with poor quality, or to become more competitive. They may also choose this path simply because customers expect it or because a government body has made it mandatory (Hassan, 2010).

Briscoe, faweett, and Todd (2005) indicated that internalizing the core International Organization for Standardization practice is important in improving performance and international Standard Organization practice must become part of the routine in the organizing. It is also proposed by Fengheih, et al (2000) that for the maximum benefits of international Standard Organization certification, the efforts undertaken in implementing of strategic human resource management practices and the improvement of business performance and therefore it is recommended by the study that international Standard Organization should be part of a strategic human resource management practices process. A study by Sun (2000) found that international Standard Organization standards are partially related to the implementation of strategic human resource management practices and the improvement of business performance and therefore international Standard Organization should be incorporated with the philosophy and methods of strategic human resource management of business performance.

1.1.3 Commercial Banks in Kenya

Commercial banks are profit making financial institutions that play a significant role in the financial system. Commercial banks offer a wide range of corporate financial services that address the specific needs of private enterprise. They provide deposit loan and trading facilities but do not service investment activities in financial markets. They process payments through a variety of means including telegraphic transfer, internet banking and electronic funds transfers. They also issue bankers cheques and drafts, as well as accept money on terms deposits. They act as moneylenders, by way of installment loans and overdrafts. Loan options include secured loans, unsecured loans, and mortgage loans.

In Kenya International Standard Organization certification is a standard used to measure a company's success and to distinguish between well performing organizations from the rest, once a company is certified they boldly declare this in public. International Standard Organization certification is done by the Kenya Bureau of Standards (KEBS), which was established by an Act of Parliament in July 1974- the Standards Act, Chapter 496 of the Laws of Kenya. It started its operations in July 1974. The aims and objectives of the Bureau include preparation of standards relating to products, measurements, materials, processes, etc., and their promotion at national, regional and international levels; certification of industrial products; assistance in the production of quality goods; improvement of measurement accuracy and circulation of information relating to standards.

The global improvement already affected different business industry. The evolution of technology is one factor to contribute the advancement of every sector of the business. When it comes to human labor, the involvement of the Human Resource Management is still visible because the productivity of employees depends on them. The human resource department is an essential foundation in building a successful business enterprise (Gadieshi et al 2003). The existence of a human resources department is vital to overall productivity and efficiency of the strong workforce in any thriving company. In most professional organizations, the role of the human resources department is not sidelined or eclipsed by other departments. The intelligence of the human resource staffs involves a compilation of complex data and metrics that follows the performance of individual employees. Their specific job is to make the workforce competent is a vital task. The sensitive nature of human relations and the work of human resource will adequately

needed in making the management's tough decisions. And the essential part is keeping a secret behind the close door meetings of who is going to let go, who is going to promote and who is going to hire (Shabi, 2007).

1.1.4 International Standard Organization certified banks

Various reasons for the International Standard Organization certification drive are identified in the literature (Haversjo *et al.*, 2000). There are several important driving forces for International Standard Organization 900 certification. Market-related factors, customer service, efficiency and as a kick-start for quality improvement all these feature as strong motivating forces, (Brown *et al.*, 1997). They include customer demands and expectations, competitive pressures, a regulatory environment and internal forces. This worldwide push has influenced more on banking industry in Kenya. Many banks face strong pressure either to gain certification due to customer requirements or to maintain their competitive position in the industry when other banks are also moving in this direction. Clients are increasingly demanding that their suppliers be certified (Brown *et al.*, 1997). The most significant benefits are in terms of raising quality awareness in an organization. This reinforces the view that certification is a strong foundation to start the quality improvement process. According to Kenya Bureau of Standards (KEBS) 2012, 19 out of 43 commercial banks are International Standard Organization certified in Kenya.

1.2 Research Problem

Strategic human resource management is fundamental to organizational development, as this is always conditioned by human knowledge and skills. International Standard Organization certification among commercial banks in Kenya offer is motivated by

market-related factors, customer service, efficiency and as a kick-start for quality improvement all these feature as strong motivating forces. Many banks face strong pressure either to gain certification due to customer requirements or to maintain their competitive position in the industry when other banks are also moving in this direction. The International Standard Organization certified banks must have the capacity to keep track of and carefully analyze the many factors that impinge on its core business of maintaining price stability and financial stability. There is however an evidence to suggest that organizations adopting the process approach to quality tend to exclude the human resource department from the design and implementation of quality assurance systems such as the ISO 9000 series (Hassan, 2010).

While a number of studies have been done on strategic human resource management practices, in Kenya none of them has focused on strategic human resource management practice in International Standard Organization certified Banks. Abongo (2008) studied strategic human resource management practices among commercial banks in Kenya, but the study did not investigate the practices in International Standard Organization certified banks. Mohamed (2006) did a study on human resource in the banking industry. However, it focused on how and what training services commercial banks in Kenya outsource. A study by Waititu (2006) on strategic practices and school performance did not come out clearly on the relationship between Human resource planning practices and the schools performance while Kimemia M. E (2006) conducted a study on Strategic Practices in Public Secondary Schools in Kenya. Bahati K.M (2006) focused on Strategic Practices and challenges involved in strategic planning in microfinance institutions in Kenya. His study did not look at the concept of human resource while Ochieng (2006)

studied ISO certified SMES and their performance. Arising from the above, it necessary to find out the extent of adoption of strategic human resource practices in the ISO 900 certified banks. Thus it seek to answer the following research question; to what extent does International Standard Organization 900 certification influence strategic human resource practices in commercial banks in Kenya

1.3 Objectives of the study

To determine the influence of International Standard Organization 900 certification in strategic human resource practices in commercial banks in Kenya.

1.4 Value of the study

This study will enlighten both the banks that are certified and those seeking certification on the impact they are likely to experience on their performance and the benefits of best practice strategic human resources management techniques in service delivery. Finding from this research will provide academics and research with an opening to explore the subject further. It will also give valuable inputs to International Standard Organization training consultants and auditors for their work.

The government can use the findings for their research to assist in policy formulation especially on certification and standardization and development of a framework for strategic human resource management practices/ techniques in its ministries; this study might also help in pointing out areas in which state corporations especially the Treasury can develop competencies and capabilities to superior performance with respect to strategic human resource management practices. It is also hoped that this study will help in recognizing local economic in the finance sector.

CHAPTER TWO

LITERATURE REVIEW

2.1 Concept of Strategy

The designing of a strategy represents a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance (Johnson and Scholes, 2008). A Firm's strategy is managements' action plan for running the business and conducting operations (Thompson & Strickland 2007). According to Mintzberg et al (2006), the word strategy has long been used implicitly in different ways even if it has traditionally been defined in only one. Strategy can be defined as the balance of actions and choices between internal capabilities and external environment of an organization. Accordingly, strategy can be seen as a plan, play, pattern, position and perspective.

According to Bateman and Zeithmal (1993), a strategy is a pattern of actions and resource allocations designed to achieve the goals of the organization. The strategy an organization implements should be directed toward building strengths in areas that satisfy the wants and needs of consumers and other key actors in the organizations' external environment. A strategy of a corporation forms a comprehensive modern plan that states how the organization will achieve its mission and objectives, it maximizes competitive advantage and minimizes competitive disadvantage (Wheelen and Hunger, 2008). Grundy (1995) proposes that strategy is about getting from where you are now to a place where it is

worthwhile being. Strategy is also about getting there through competitive advantage, with least difficulty and in least time.

There are different forms of strategy (Johnson and Scholes, 2008). Corporate level strategy is concerned with the overall scope of an organization and how value will be added to the different parts (business units) of the organization. This could include issues of geographical coverage, diversity of products/services of business units, and how resources are to be allocated between different parts of the organizations. The second level can be thought of as business level strategy which is about how to compete successfully in particular markets or how to provide best value services in the public services. This concerns which products or services should be developed in which markets and how advantage over competitors can be achieved in order to achieve the objectives of the organization. The third level of strategy is at the operating end of the organization. These strategies are called operational strategies, which are concerned with how the component parts of an organization deliver effectively the corporate and business level strategies in terms of resources, processes and people.

2.2 Strategic Human Resource Management Practices

Strategic advantages of human capital practices; theory development historically, human resource management (formerly known as personnel management) consisted largely of recordkeeping and maintenance activities.

2.2.1 Setting the Strategic direction

Setting strategic direction for an organization involves putting into consideration its vision statement. The Human resource personnel comes up with strategic plan that

focuses on aligning human resource policies to support the accomplishment of the Company's mission, vision, goals and strategies. The organization attracts employees by being the 'employer of choice'. Strategic planning as stated by Gray (2006), is no longer an added managerial duty, but a way of thinking about a business and how to run it. In order to succeed in setting the strategic direction, Johnson, (2004) states that the head of Human resource department ought to; conduct an external environmental scan and evaluate its impact on the organization, identify the organization's vision, mission and guiding principles, identify the mission's outcomes and strategic goals, consult all relevant stakeholders and evaluate the impact of legislation on the organization.

Pferrer (1994, 1998) described and distilled human resource management best practices to a list of seven strategic areas as follows: Job security; selective hiring of new personnel; self management teams and decentralization of decision making as the basic principles of organizational performance; extensive training; reduced status distinctions barriers; including dress, language, office arrangements, and wage differences across levels; extensive sharing of financial and performance information throughout the organization. These seven best practices should drive higher levels of performance in the organizations that effectively use them. Other researchers have specifically noted the benefits of complementary human resource practices (Kandel and Lazear 1992; Holmstrom and Milgrom, 1994). Pfeiffer's list is valid starting point, but other researchers and theory builders have presented lists or weight items differently.

2.2.2 Staff Planning

Staff planning is a systematic process for identifying the human capital required to meet organization's goals and developing the strategies to meet these requirements. A

systematic process is integrated, methodical, and ongoing. It involves identifying the human capital required to meet organization goals, which consist of determining the number and skills of needed workers, where and when they will be needed. Johnson (2000), argument is that workforce planning is a continual process used to align the needs and priorities of the organization with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organizational objectives. Workforce planning enables evidence based workforce development strategies (Rudolf Melik, 2010). Workforce planning can only make sense when seen in relation to business objectives. Planning of manpower is a resourcing activity since the basic demand of people springs from the organization's need to supply goods or services to its customers Cole (1993).

Generating the required human resources is the process that focuses on recruiting, hiring, classifying, training and assigning employees based on the strategic imperatives of the organization's workforce plan The HR practitioner is required to design a comprehensive workplace skills plan that will help identify appropriate training priorities based on the organizations workforce needs now and in the future (Sloan, 2010). Workforce review activities are important for generating feedback information since the review tells the organization not only how well it is achieving its workforce plans, but also points the way to necessary changes in course that must be made at one or more points (Cole, 1996).

2.2.3 Personnel management and training

Most of the early research on personnel management focused on issues affecting individuals such as employee testing and training (Ferri et al; 2006). The evaluation from personnel management to human resource management was more than simply a change

in name. Rather, it represented a conceptual change from thinking of employee in an organization as personnel (perhaps a cost to be minimized), to resources that bring value to the organization. However, it was until a broader perspective, known as strategic human resource management began to gain credibility as a potential source of competitive advantage. Strategic management looks beyond individual implications of human resources management issues and attempts to align human resource management activities with the strategic goals of the organization (Biter et al. 1991).

Strategic human resource management developed from scholar's interest in examining the relationship between human resource management practices and organization performance (Bowen and Ostroff, 2004) and from theoretical arguments that an organization's human resource can be a source of sustainable competitive advantage for the organization (Wright and McMahon 1992). There is general agreement among scholar's that strategic human resource management involves designing and implementing internally consistent policies and practices that enables an organization 's human resource to contribute to the achievement of the business objectives; however, a more precise definition has yet to be reached (Huselid et al 1997).

Building on theoretical arguments in favor of strategic human resources management, research attempting to demonstrate the relationship between human resource management practices and organizational performance emerged in the late 1980's and early 1990's (Delaney et al, 1989, Huselid, 1995; McDuffie, 1995). Based on these studies, scholars began to compare approaches developed initially (Youndt et. Al 1996) subsequent work expands the number of approaches to three by making additional distinctions in the categorization of previous work (Chadwick and Cappelli, 1999, Ferris

et al 1999). Most recently, the perspective for studying the relationship between human resource management and organizational performance have again been reduced to two as the body of research has narrowed in on logical approaches, which have found support in literature. The “system approaches” and “strategic approach” and the evaluation of these perspectives. The approaches are complementary and co exists in organizations. The effective implementation of both strategic human resource management approaches represents a formidable competitive advantage of the firm. The system approach focused initially on the relationship between individual human resource management practices and organizational performance and later transitioned into examination of a set of human resource management practices and their relationship as a group with organizational performance (Bowen and Ostroff 2004). This approach was identified by earlier scholars as the “universalistic” approach because it asserts that certain “best practices” will be advantageous to all organizations.

Early research on “best practices” examined the effect of individual’s human resource management practices, such as job design or promotion criteria, on an organization turnover and productivity levels. However, subsequent research found that the return on group of human resource management practices that work with each other in a complementary fashion is greater than the effect of such practices used individually, and far superior to mismatching human resource management practices that are contradictory. For example, the effect of using valid selection procedures should be greater if the organization uses performance appraisals and incentive compensation programs that reward good performance (Huselid, 1995). If compensation programs based on seniority

are combined with performance appraisals and incentives compensation, their positive effects on performance should be lessened.

2.3 International Standard Organization Certification

ISO certification started in Europe and was spread to North America, Japan and the rest of the world in which it was introduced in 1987 by the International organization for standardization based in Geneva, Switzerland. (Abraham, et al 2000) it is a series of standards for quality management systems with a comprehensive model of quality systems (Sun 2000) that address the quality of a company's processes (Withers, et al 1997). Similar with other quality management practices, these standards are based on the concept that certain minimum characteristics of a quality management system could be usefully standardized, giving mutual benefit to suppliers and customers, and they focus on process rather than product quality (Van Der Wiel, Dale & Williams 2000:Withers & Ebrahimpour, 1998; Gourlay, 1994). The ISO series sets out the methods that can be implemented in an organization to ensure customers requirements are fully met (Oaklands 1989) Yahya and Goh 2001) mentioned that ISO is a management control procedure. It involves a business documenting the process of design, production and distribution to ensure that the quality of products and services meets the needs of customers (Quazi, Hong & Meng 2002: Pun, Chin & Lau 1999).

2.4 International Standard Organization certification and Strategic Human Resource Management

The main resources and capacities that have been associated with the implementation process of ISO certification are learning and the acquisition of skills on the part of human

resources, an improvement in the company's reputation, improvement of information systems and incentives to innovate (Cañon and Garcés, 2006). The underlying environmental policies in these quality certification standards are intensive in terms of human resources and depend on tacit skills that can only be acquired through the involvement of workers and teamwork (Zhang, 2000).

Organizations demonstrate different levels/stages of movement through quality management initiatives (Holmegaard, 1990). These stages show whether the organization has adopted a hard process oriented approach or have taken an employee involvement and development oriented approach to quality improvement. The former “traditional” or “process-oriented” approaches often neglect human resource issues (Zuckerman and Rhodes, 2000 and Hassan, 2010). According to Hassan, unless employees' involvement and commitment are taken care of, the success of any quality improvement program cannot be guaranteed. The culture embodies elements of participation, trust, responsibility etc. (Morhman et al., 1995).

There is research evidence to suggest that, when organizations are in the initial stages of quality management plans, the focus is more on process (technical) aspects of quality rather than on the human aspects (Marchington et al., 1993). At this stage organizations do not allow for employees' contributions and training is targeted only towards people involved in the production process. The HR department has only a peripheral role. There is evidence to suggest that organizations adopting the process approach to quality tend to exclude the human resource department from the design and implementation of quality assurance systems such as the ISO 9000 series (Hassan, 2010).

When organizations move from quality assurance to an organization-wide approach to quality, a shift occurs in the involvement of HR management. A more productive and constructive approach to management is then taken up. This includes employee development and training, establishing reward and recognition programs to promote quality, and building employee relations (Hassan, 2010). The involvement of the HR function in quality, as outlined by Kufidu and Vouzas (1998), includes participating in the design, introduction, and maintenance of various quality initiatives, changing traditional personnel practices to support a total quality culture and establishing a quality orientation within the function itself.

Quazi and Padibjo (1998) stated that ISO certification brings about improved quality of work life, improved company quality image and competitiveness in the marketplace, streamlined procedures and documentation and increased awareness for preventive and corrective actions and improved competitiveness (Quazi and Padibjo, 1998 and Quazi and Jacobs, 2004).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study adopted a cross sectional descriptive census survey design. This design is appropriate for this study because all elements investigated at the same point in time.

3.2 Population

The target population was all the 19 commercial banks in Nairobi which are ISO certified (KEBS 2012) (Appendix ii).

3.4 Data Collection

The study used primary data. A semi-structured questionnaire was used to collect data. The questionnaire is divided into two parts. The first part covered demographic characteristics while the second part collected data on strategic human resource practices in ISO certified commercial banks in Kenya. The respondents were heads of human resource departments. The questionnaires were administered using drop and pick later method.

3.5 Data Analysis

Before processing the responses, the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into various categories. Data collected was both quantitative and qualitative. Quantitative data was analyzed by descriptive analysis, while qualitative data was

analyzed through content analysis (It is used when one has sets of existing written or visual documentation, which require analysis (Carol Grbich 2007).

Data analyzed using descriptive statistics whereby frequencies, percentages, mean and standard deviations, generated from the various data categories were computed and presented in graphs and tables. Data analysis is the whole process, which starts immediately after data collection and ends at the point of interpretation and processing data (Kothari, 2004). Therefore, editing, coding, classifying and tabulating are the processing steps to be used to process the collected data for a better and efficient analysis.

The Likert scale was used to analyze the mean score and standard deviation. Data analysis used SPSS and Microsoft excel to give percentage, means scores, and frequencies. Tables were used to summarize responses for further analysis and facilitate comparison. This generated quantitative reports through tabulations, percentages, and measure of central tendency. Cooper and Schindler (2003) notes that the use of percentages is important for two reasons; first they simplify data by reducing all the numbers to range between 0 and 100. Second, they translate the data into standard form with a base of 100 for relative comparisons.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Response Rate

The study targeted 19 respondents (heads of human resource departments) of ISO certified commercial banks in Kenya. However, out of 19 questionnaires distributed 15 respondents completely filled in and returned the questionnaires contributing to 79%. This response rate was reached due to the data collection procedure, where the researcher personally administered questionnaires and waited for respondents to fill in, kept reminding the respondents to fill in the questionnaires through frequent phone call and picked the questionnaires once fully filled. The 21% questionnaires that were not returned were due to reasons like, the respondent were not available to fill them in at that time and with persistence follow-ups there were no positive responses from them. The response rate demonstrates a willingness of the respondents' to participate in the survey that the study sought.

4.2 Demographic Characterization of the Respondents

The study found it crucial to ascertain the broad information of the respondents since it structures the charity under which the study can fairly entrance the pertinent information. The analysis relied on this information of the respondents to classify the different results according to their knowledge and responses.

4.2.1 Gender Profile

The study aimed to consider gender analysis. According to the findings, majority (69%) of the respondents were male while the rest (31%) were female. This implies that though there is gender inequality in occupation of job in Kenyan commercial bank, most of the senior staffs in various departments of the commercial banks in Kenya are occupied by the male.

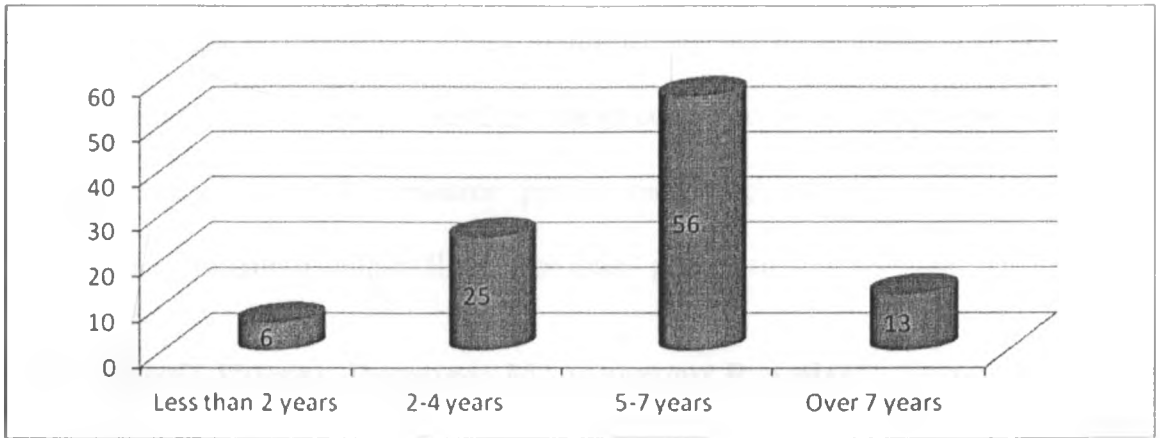
4.2.2 Age Bracket

From the findings, half of the respondents (50%) were within bracket 35-39 years, 25% were within 30-34yrs, 13% were between 40-44years while the rest (12%) were shared equally (6%) by those between 25-29years and over 45 years. This implies that commercial banks in kenya had energetic employees who can adjust to the market need and maintain their service delivery to the clientile hence retaining their qualification/award reputation of ISO certification.

4.2.3 Length of service

Figure 4.1 illustrates working duration of the respondents in their respective organization, from the findings majority (56%) of the respondents had worked in the theirn respective bank for a period of 5-7 years, 25% had worked for a period of 2-4 years, 13% had worked over 17years while the rest (6%) had served in their respective organization for less than 2years. This implies that most of the respondents of this study had worked for an ample time thus they were conversant of the information that the study sought pertaining to the organization.

Figure 4.1 Length of service



Source: Field Data

4.2.4 Education Level

The researcher was also inquisitive to determine the highest level of the academic qualification that the respondent held. Majority (56%) of the respondents were post graduates degree, 31% held undergraduate degree as their highest level of education while 13% held diploma as their highest academic qualifications. This depicts that most of the staffs working in Kenya commercial bank are literate hence they are capable to adopt any strategic issues that the organization formulate with the aim of improving their performance.

4.2.5 Organization ISO certification

The study aimed to determine whether banks' of the respondents participated in the study was ISO certified. All (100%) of the respondents indicated that their banks were ISO certified. This reveals that the finding presented, are free from bias as all participant were ISO certified hence familiar with the information that the study sought.

4.2.6 Duties of the respondents

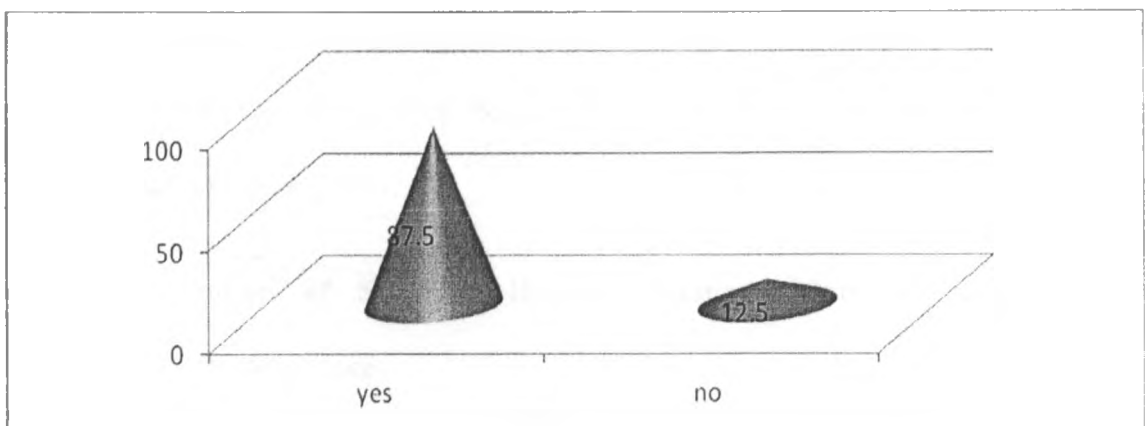
The study aimed to investigate duties performed by the respondents. The respondents gave different roles that were under their line of command such as improving employees' welfare, reviewing human resource policy, recruiting and selection of the staffs, performance evaluation and handling employees' grievances.

4.4 Strategic Human Resource Management Practice

4.4.1 Employees Train and Development

The study requested the respondent to indicate whether the organization train and develop employees on their present qualification and job knowledge. From the findings, 87.5% of the respondents pointed out that their organization offer training to the employees on present qualification and job knowledge while the rest (12.5%) indicted that the organization does not offer any training to its employees. This illustrates that most of ISO certified organization considers staff development and empowerment as a way of motivating employees towards their performance.

Figure 4.2 Employees Train and Development



Source: Field Data

4.4.2 Existence of Human Resource Practices

The study aimed to establish whether respondents' organization had a set human resource management practices. According to the findings, all respondents indicated that there is set human practices set within their organization. This implies that the most of the organization had a well outlined human resource planning that are clear to everyone in the organization that gives directive on service delivery.

4.4.3 Strategic Human Resource Management Practices Exercised in Respondnets Organization

From the findings, most of the respondent agreed that Welfare Administration is highly exercised in their organization as shown by a mean of 4.01, also respondents agreed that recruitment and selection were highly exercised as depicted by a mean of 3.77, most organization also practiced training and development practices as respondents agreed on the statement as illustrated by a mean of 3.74, Discipline administration was also agreed to be practiced within bank as shown by a mean score of 3.70. Further, respondent were neutral that Remuneration was practiced in their organization as depicted by mean score of 2.66. This implies that organization strives to ensure staffs performance is effective by reviewing all other aspects relating to their performance though organization are reluctant to review remuneration policy.

4.4.4 Contribution of Strategic Human Resource Management Practice to Organization Performance

The study was inquisitive to determine whether good human resources contribute to good performance. Majority (75%) of the respondents were of the opinion that good human

resources management practices contribute good performance of the employee while 425% think otherwise. Respondents argued that due to the existence of Strategic Human Resource Management practices in the organization that cater for their need that free them from stress where their grievances and welfare were tackled by responsible personnel hence increase their commitment to their role improving their performance. This affirmed that organization with well outline Strategic Human Resource Management practices policies and fully implemented do well in the market unlike organization with poor Strategic Human Resource Management practices.

4.4.5 Extent to which Strategic Human Resource Management Practices had been practiced

The study requested the respondents to indicate the extent to which human resources practices had been practiced in the organization. Most of the respondents pointed that frequently review human resource policies and procedures had been practiced to a great extent as shown by a mean score of 4.44, use of personality tests/types indicators to recruit and select suitable employees had been practiced to a great extent as depicted by mean score of 4.15, organization conducts recruitment and selection of new staff for each business to a great extent as shown by mean score of 3.84, organization offered career development programs to employees who are willing to stay as illustrated by mean score of 3.77 organization reviewed human resource policies according to business needs to a great extent as depicted by mean score of 3.66, offer on-going leadership and management training to retain managerial teams as illustrated by mean score of 3.64, organization educates staff about the link between organization and strategy planning as shown by mean score of 3.63. on the other hand respondents indicated that organization

design and develop human resource strategies to attract and retain quality and competent employees, offer above-market pay rates to attract quality and skilled and that organization use external sources to conduct performance evaluation to a moderate extent as shown by mean score of 3.47, 3.43 and 3.18 respectively.

4.4.6 Contribution of Strategic human resource management Practices on Organization Performance

From the findings, most of the respondents strongly agreed that Strategic human resource management practices ensure that there is customer satisfaction as illustrated by mean score of 4.71, respondents agreed of Strategic human resource management practices increase production as shown by mean score of 3.93, also respondents agreed that Strategic human resource management practices improves work environment as depicted by mean score of 3.74, further respondents' agreed that Strategic human resource management practices ensure quality services provision as illustrated by mean score of 3.62. Respondents were neutral that Strategic human resource management practices reduces of employee unrest as depicted by mean score of 3.25 while few of the respondents were neither agree nor disagree that Strategic human resource management practices ensure maintenance of safety to employees as shown by mean score of 3.06.

4.4.7 Reasons behind Formulation of HRM Training Programs

The study was also inquisitive to determine the reason behind formulation of HRM training program. According to the findings, most (38%) of the respondents indicated that the there was dare need to improve performance of the organization, 31% pointed that organization set training program to improve efficiency, 19% pointed that organization

engaged in training program in order to reduce costs from incompetency while 13% were of the opinion that organization set training program as it was the organizations culture. This revealed that the main aim of setting training program in the organization is to increase competence of the employees hence improvement of the organization performance.

	Frequency	Percentage
To improve efficiency	5	31.25
To reduce costs from incompetency	3	18.75
Improve performance of the organization	6	37.5
It is the organizations culture	2	12.5
Total	16	100

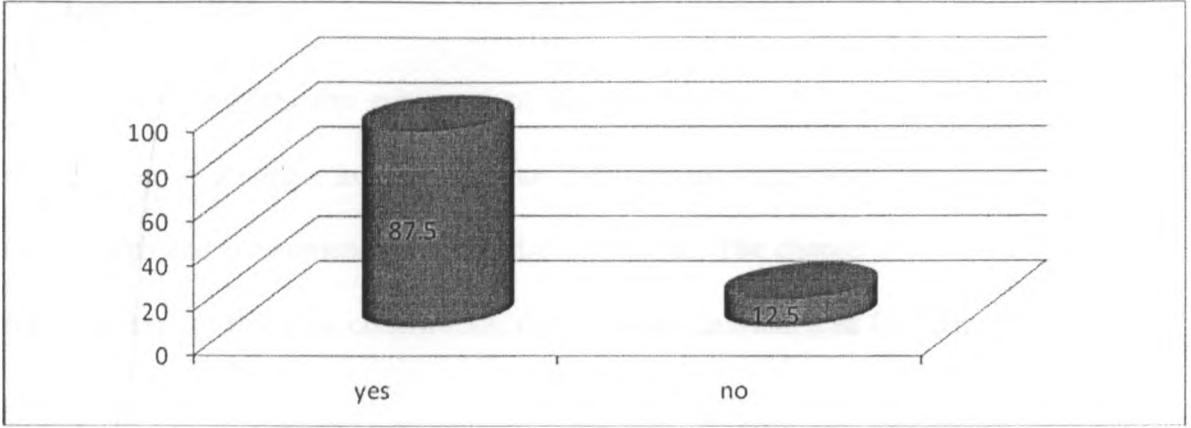
Table 4.1 Reasons behind Formulation of HRM Training Programs

Source: Field Data

4.4.8 Relationship between Employees Training and their Level of Performance

Figure 4.3 indicate the finding of the study on the relationship between employees training and their level of performance within the organization. Majority (87.5%) of the respondents were of the opinion that there was relationship between employees training and their level of performance within the organization arguing that staffs trained perform well than those who have never attended any training session while 12.5% think otherwise.

Figure 4.3 Relationship between Employees Training and their Level of Performance



Source: Field Data

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of the data findings on influence of ISO 9001 certification in strategic human resource practices in commercial banks in Kenya, the conclusions and recommendations are drawn there to. The chapter is therefore structured into summary of findings, conclusions, recommendations and area for further research.

5.2 Summary of the Findings

The study focused on the influence of ISO 9001 certification in setting the strategic direction, staff planning, personnel management and training. From the study findings, it was clear that organization offered training and development programs to improve employees' competency which were facilitated by set human resource management practices set. Recruitment and selection training and development practice and discipline administration were the main human resource management practices exercised by majority of the organization.

On contribution of the human resource management Practice to organization performance, the study found that good human resources management practices contribute to good performance of the employee. Further the study found that organization frequently review human resource policies and procedures as well as recruiting and selecting suitable employees on the available job vacant hence contributing to good performance. The study also found that customer satisfaction, increase

production and improved working environment were some of the impacts realized by the application of human resource management practices in the organization.

To the training program, the study established that the need to improve performance of the organization and to reduce costs from incompetency were the main reason behind formulation of the training program. On the same, the study found that there was relationship between employees training and their level of performance within the organization where trained staffs perform well than those who have never attended any training session.

5.3 Conclusions

The study sought to establish influence of ISO 9001 certification in strategic human resource practices in commercial banks in Kenya. Based on the findings, the study concluded that ISO certified organization have set human resource management practices where one of the main role is to offer training and development programs to improve employees' competency. On the same the study concluded that recruitment and selection training and development practice and discipline administration were the main human resource management practices were practiced by most of the organizations.

To the human resource practices and organization performance, the study concluded that good human resources management practices contribute to good performance of the employee due to frequently review HR policies and procedures as well as recruiting and selecting suitable employees. Additionally, the study concluded that customer satisfaction, increase production and improved working environment were realized due to application of human resource management practices in the organization.

On training program, the study concluded that organization formulate training program with aim of improving performance of the organization and reducing costs from incompetency. Inclusively, the study concluded that there was relationship between employees training and their level of performance within the organization where trained staffs perform well than those who have never attended any training session.

5.4 Recommendations

The study recommended that for the organization to retain its standard of service delivery must ensure it give proper directive to the employees in order to improve their efficiency and competence. On the same the study recommended that empowerment and development of the staffs is vital in the organization hence there is dare need to offer training and other subsidiaries training to motivate staffs toward working.

Further, the study recommended that for the organization to achieve its main objective must recognize practicing human resource management practices and more particularly consider employees initiatives. Additionally, the study recommended that organization should consider employees as an asset and not as a liability by reviewing policies set regarding their welfare and relate them to the market need in order to ensure effective service delivery that enhance customer satisfaction hence maintenance of good reputation in the market.

On training program, the study recommended that all staffs within the organization should be trained on the strategic issues in order to be directed to a common objective for a uniform output. Likewise the study recommended that executives to set training

sessions where staffs could attend training session in order to update them on current strategic adopted by the organization in order to improve their performance.

5.5 Suggestions for Further study

The study suggested that further research to be done on the impact of the ISO certification on organization performance in order to give both side negative and positive sides that can be reliable. The study also suggested further research to be done on influence of ISO certification on in strategic human resource practices by focusing on other sectors rather than banking industry in order to depict reliable information that illustrates real situation in all sector.

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Appendix I: Questionnaire

PART A: DEMOGRAPHIC INFORMATION

1. Gender

Male Female

2. Age

25-29 years 30-34 years

35-39 years 40-44 years

Over 45 years

3. Length of continuous service in the organization

Less than 2 years 2-4 years

5-7 years Over 7 years

4. Level of education

Diploma Undergraduate degree

Postgraduate degree others (specify)

5. Is your organization ISO certified?

Yes

No

6. What are your duties and responsibilities in your current position?

.....
.....

7. Does the organisation train and develop employees on their present qualification and job knowledge?

Yes [] No []

8. What qualifications make you perform for your position?

.....

PART B: STRATEGIC HUMAN RESOURCE PRACTICES

9. Are there any HRM practices in your organization?

YES

NO

If NO give a reason.....

.....

10. What HRM practices are practiced in your organisation

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Training and Development					

Recruitment and selection					
Discipline Administration					
Welfare Administration					
Compensation Management					
Remuneration					

Section C:

11. In your view, is good HRM practice contributing to good performance?

YES

NO

Give a reason.....

.....

12. On the scale of 1-5, 1 being less practiced and 5 being mostly practiced, indicate the appropriate scale for your organization in responding to the following statements in regard to the Human Resource (HR) strategies and processes?

Statement Scale

	1	2	3	4	5
Frequently review HR policies and procedures					

Change HR policies according to business needs					
Design and develop HR strategies to attract and retain quality and competent employees					
Use personality tests/types indicators to recruit and select suitable employees					
Offer above-market pay rates to attract quality and skilled					
Offer on-going leadership and management training to retain					
Offer career development programs to employees who are willing to stay					
Use external sources to recruit and select suitable employees					
Use external sources to conduct performance evaluation					
Conduct recruitment and selection of new staff for each business					
Educate staff about the link between organisation and Strategy planning					

13. How do HRM practices contribute to performance in the organization?

Use a scale 1-5 where 1 represents strongly disagree....5 strongly agree

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Ensuring that there is customer satisfaction					
Increased productivity					
Ensuring quality services provision					
Reduction of employee unrest					
Through maintenance of safe work environment					

14. To what extent do the following strategic human resource development practices affect employee performance in commercial banks in Kenya? use a scale of 1-5 where 1= no extent at all and 5 = very great extent

	1	2	3	4	5
Formal training program					
Training need analysis					
Cost-benefit analysis of training programs					
Evaluation of the training programs					

Provision of opportunities to use and develop my skills					
---	--	--	--	--	--

15. Why is it important for your company to come up with training programs?

To improve efficiency

To reduce costs from incompetency

Improve performance of the organization

It is the organizations culture

a. Any other (please specify)

.....

16. Is there adequate relationship between employees training and their level of performance?

Yes No

a. Please explain your answer

.....

THANK YOU!

Appendix ii: A list of ISO certified banks

1. Barclays Bank
2. CFC Stanbic Holdings
3. Chase bank
4. Citi Bank
5. Commercial Bank of Africa
6. Consolidated Bank of Kenya
7. Co-operative Bank of Kenya
8. Diamond Trust Bank Kenya
9. Equatorial Commercial Bank
10. Equity Bank
11. Fina Bank
12. Guardian Bank
13. Kenya Commercial Bank
14. K-Rep Bank
15. National Bank of Kenya
16. NIC Bank Ltd
17. Oriental Commercial Bank
18. Standard Chartered Bank
19. Transnational Bank