STRATEGY IMPLEMENTATION BY BARCLAYS BANK OF KENYA IN BALANCING THE USE OF CONTRACT AND PERMANENT EMPLOYEES

BY:

WYCLIFE ADOLWA OUYA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION,

SCHOOL OF BUSINESS,

UNIVERSITY OF NAIROBI

NOVEMBER 2012

DECLARATION

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

Sign: ……………………………………….. Date: ………………………

Wyclife Adolwa Ouya

D61/71393/2008

This research project has been submitted for examination with my approval as a university supervisor.

Sign: …………………………………… Date: ………………………….

DR. JOHN YABS

LECTURER

SCHOOL OF BUSINESS

UNIVERSITY OF NAIROBI

DEDICATION

I would like to dedicate this work to my dear wife, who never stopped believing in me, and my friends who always reminded me to finalize with the project. I will never forget your support and encouragement.

ACKNOWLEGEMENT

First of all, I wish to thank the Almighty God for enabling me to reach this far in all my academic endeavors. Secondly I would like to acknowledge my family for their encouragement all through my course.

I am greatly indebted to my supervisor Dr. Yabs for the great insights, encouragement and guidance throughout the research process. I also appreciate the administrators at the school of Business, University of Nairobi, for the regular guidance on the overall research process and expectations.

Finally, I would like to acknowledge my colleagues more specifically Dan Mulli, my team leader and all people of good will who tirelessly contributed to this study in terms of time, insights and moral support. God bless you abundantly.

TABLE OF CONTENTS

LIST OF TABLES

ABSTRACT

Strategic management permeates functions of an organization and is not a concept that any firm can simply wish away. Once strategies have been formulated they must be implemented if any value is to accrue from them in any case. Strategy implementation has to be functional at all functions especially those that are critical to the organization. The most important resource of an organization is its people. The roles people play, the process through which they interact and the relationships they build with one another and with the employer are vital in achieving the business strategy. Therefore, in order to achieve the company objectives, employees' expectation management and creating an enabling work environment is core.

This research project seeks to establish whether or not such an environment exists in the organization under study. Barclays Bank of Kenya is a subsidiary of Barclays Plc and has been in operation in Kenya for over 90 years. Barclays Plc is among the world's largest global financial provider and has been in existence for over 300 years. The bank has established an extensive network of 117 branches with 234 ATMs spread across the country.

The study set out to determine how Barclays Bank of Kenya implements its Human Resource strategies that relate to maintenance of an optimal balance between contract and permanent employees. The ultimate goal of the study was to gauge the effectiveness of this employment model in attaining the overall corporate strategy of the bank. The research also aimed at determining the challenges involved in the implementation of such strategies and to suggest workable solutions that could enhance their effectiveness and efficiency in the implementation.

CHAPTER ONE: INTRODUCTION

1.1 Background of the study

The most important resource of an organization is its people (Johnson et al, 2006). The roles people play, the process through which they interact and the relationships they build with one another and with the employer are vital in achieving the business strategy. Therefore, in order to achieve the company objectives, employees' expectation management and creating an enabling work environment is core. The relationship brings together the sources of power legitimacy, rights and obligations that management and employees seek for themselves and apply to others (Beardwell et al, 2004). This implies that the knowledge and experience of people can be the key factor enabling the success of strategies (Johnson et al, 2006). On the other hand, they can also hinder the successful adoption of new strategies. Basically, human resource management should be integrated, tailored, mutually supportive and reinforcing, and thus be closely linked to the organization's strategy. The current challenge arising is, how is it possible to develop an integrated human resource management approach to support an emergent strategy which develops more or less slowly and which change unpredictably.

1.1.1 The Concept of Strategy

Johnson et al, (2006) defines strategy as the direction and scope an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations. In this definition, resources play a very key role as far as attaining the desired strategy is concerned. The other point to note as well is the changing environment which has even become more dynamic due to the ever increasing competition. This is because each organization is trying to attain a competitive advantage over the other. On the other hand Robinson and Pearce, (1997) define strategic management as the set of decisions and actions that result in formulation and implementation of plans designed to achieve a company's objectives. This brings the concept of actions that are taken by the organization to meet the set objectives. These will definitely involve resources which for a banking sector is basically systems and human resources.

Common to nearly all strategy is an understanding of the external environment and the resources available to compete in that environment. Among resources which organizations have access to include, facilities, staff, know how and financial. These are used to combat threats and build on opportunities in the external environment. The more effective the use of resources, the more likely an organization is able to meet its objectives and hence the set strategy. As part of the strategy, it is very important for an organization to identify and evaluate its resources, before considering how the resources can be organized or configured to achieve cost or differentiation base competitive advantage, (Capon, 2008). A resource audit examines how resources could be used to improve efficiency and effectiveness and hence profitability.

The staff forms a very critical part of the resources of the firm and more often, tends to be the most expensive liability to the firm more so in the service industry that do not have much of automation. The knowledge and experience of people can be the key factors enabling the success of strategies. Identifying and evaluating human resources includes an assessment of the number and type of staff in the organization, their current skills and developmental potential. With the current dynamic environment, downsizing is a day to day activity part of the organizations strategy. Downsizing occurs when organizations reduce the number of core employees, recruiting more part time or sub-contracted employees instead of full time staff, (Capon, 2008). Having identified the type of work force the organization needs and the degree of flexibility required the organization and its management should ensure that the staff are managed effectively such that they are able to make the necessary contribution to the organization's strategic fit with its environment.

1.1.2 Strategic use of Contract and Permanent Employees

Successful strategy implementation depends in large part on the firm's primary organizational structure, (Robinson and Pearce, 1997). Structure helps identify the firm's key activities and the manner in which they will be coordinated to achieve the firm's strategic purpose. A key critical task for strategic management is the implementation of the strategic choices by means of budgeted resource allocation in which the matching tasks, people, structures, technologies and reward system is emphasized. Each organization tries to balance its employees to ensure that they are not over staffed at any given point. Most firms nowadays are very cautious as far as recruitment of employees is concerned and the model to use. The traditional model of permanent employment is slowly being eroded and instead replaced by the flexibility model that allows the organizations to be able to change their strategies without much variation in cost.

According to Beardwell, et al, (2004) a permanent employee is one who was recruited through a competitive recruitment process, has completed their probation period and the employment term cannot be terminated, unless both parties come to agreement. On the other hand a contract employee is one whose time is defined say one or two years and the employer has the authority to terminate the contract at any given time depending on the terms agreed that is, it is not binding. Organizations can come up with strategies that optimize the use of these two terms of employment so as to gain maximum benefits without incurring any unnecessary operating costs.

1.1.3 Banking Industry in Kenya

The Banking industry in Kenya is governed by the Companies Act, the Banking Act, the Central Bank of Kenya Act and the various prudential guidelines issued by the Central Bank of Kenya (CBK). The banking sector was liberalized in 1995 and exchange controls lifted. The CBK, which falls under the Minister for Finance docket, is responsible for formulating and implementing monetary policy and fostering the liquidity, solvency and proper functioning of the financial system. As at December 2008 there were forty six banking and non-bank institutions, fifteen micro finance institutions and one hundred and nine foreign exchange bureaus. The banks have come together under the Kenya Bankers Association (KBA), which serves as a lobby for the banking sector's interests. (CBK,2007).

The main challenges facing the Banking sector today include; New regulations; For instance, the Finance Act 2008, which took effect on 1 January 2009 requires banks and mortgage firms to build a minimum core capital of KShs 1 billion by December 2012. This requirement, it's hoped, will help transform small banks into more stable organizations. The implementation of this requirement poses a challenge to some of the existing banks and they may be forced to merge in order to comply. Global financial crisis experienced in late 2008 is expected to affect the banking industry in Kenya especially in regard to deposits mobilization, reduction in trade volumes and the performance of assets. Others include declining interest margins.

Over the years the banking sector in Kenya has continued to grow as is witnessed there has been entry of banks from the west who have established their branches in Kenya and also the emergence of banks that provide specialized needs. According to the Mara financial services report (2009) Regional integration is taking hold within Kenya's banking sector. The latest foray into Kenya by Nigeria's United Bank for Africa ("**UBA**") signifies West Africa's increasing appetite to participate in East African markets. UBA is the second bank from West Africa to enter into the Kenyan banking industry. Lome-based Eco bank entered Kenya last year after acquiring the same time as regional integration, institutions from outside the African continent are moving into the Kenyan market. This is no more prevalent than amongst institutions from the Gulf region with a unique product offering: Gulf African Bank and First Community Bank, each an Islamic bank, commenced operations in Kenya in 2008 offering Sharia-compliant banking services. Their combined operations now represent approximately 1 percent of Kenya's gross banking assets

As banking industry in Kenya has been steadily over the recent past, staff needs in this industry have consistently grown in importance. Hiring the best people available for the right jobs; retaining them for longer and getting the most out of them remains a priority for each of these banks. Unfortunately, this growth involves a level of uncertainty as to whether it can be sustained in the long run. As such, banks as well as other institutions facing similar challenges have opted to engage employees on contract terms as they evaluate the long term sustainability of their various expansion strategies.

1.1.4 Barclays Bank of Kenya

Barclays Bank of Kenya is a subsidiary of Barclays Plc and has been in operation in Kenya for over 90 years. Barclays Plc is among the world's largest global financial provider and has been in existence for over 300 years. The bank has established an extensive network of 117 branches with 234 ATMs spread across the country. Over the years, the bank has built confidence among stake holders with a reputation as one of the leading blue chip companies on the NSE, (Njoroge, 2009).

Over the years, Barclays has contributed to the development of the banking industry, financial services sector, as well as the overall economy. It has received Industry recognition for leadership for example, Best Bank in Kenya – Global Finance (2008, 2009 & 2010); Company of the Year Award for Human Resource Management Practices - Kenya Institute of Management (2008); Best Retail Bank – 2009 Banking Awards; and Company that best complies with the International Financial Reporting Standards - FiRe Awards (2009)

Barclays bank of Kenya Goals as posted on their website are to remain the leading retail and corporate bank in Kenya, be recognized as a trusted, innovative, customer-focused company that delivers products and services of superior quality to all customers, be the best place where the best people want to work, be associated by all stakeholders as a corporate partner who contributes towards the welfare of the communities in which it operates as it delivers value to its shareholders through positive growth.

In 2008, the bank had a total of 5724 employees. The number went down to 3731 in 2009 and this downward trend has persisted to below 3200 as at 2011. The reduction has been attributed to various economic challenges being experienced across the globe which have led to companies downsizing in order to cut costs.

Barclays bank of Kenya has been constantly employing employees on contract terms to assist in meeting its human resource model strategy. This could have been as a result of the unpredictability of the environment as the bank tried to spread its channels across the country. Previously, the bank had decided to close some of its branches across the country so as to optimize their profitability. The emergence of the new players came as awakening call to the multinational banks especially Barclays to get local and take their services to people. Some of the old branches were re opened, new other branches were also opened and various sales centers have also been set up.

Managing the size of the workforce by using part time and temporary employment contracts is a long established tradition (Heczynski and Buchanan, 2001). Further as explained by the two, in the nineteenth century, it was common practice in the ship building industry for ship yard workers to be employed intensively while a ship was being built, for them to be laid off on the day the ship is launched , and to be hired again when another order was served. This has been in constant use in Barclays Bank of Kenya, where staffs are taken on contractual terms for example to boost the sales and once that is achieved, their contracts are not renewed until another strategy that require expansion comes up or the organization becomes stable and the expansion gets to be permanent.

Barclays bank uses various strategies to try and ensure harmony between its contract and permanent staff. This is because in some departments, the two groups tend to do the same roles more or so those that fall under the union. As for the permanent staff, their privileges are intact for instance, entitlement to 28 days of paid leave in a year, medical cover for both inpatient and outpatient, pension, job security, just to mention a few. When it comes to their contract counterparts, the bank has set aside some incentives to motivate them. These are enjoyed by all the contractual staff irrespective of the length of one's term. Some of these include: payment of gratuity at the end of each term, entitlement to a medical scheme during your contract period, two days of paid leave for every month, maternity and paternity paid leave in case it falls within the term, bonuses for excellent performers, accessibility to promotions as well as rewarding the best performers with permanent positions. The bank also ensures that it employs fresh graduates as part of their contract staff given that they would easily grab the opportunity for their first employment. This allows the employer to pick out best talents before engaging them on permanent terms. During expansions as well, the bank tends to recruit staff on contract terms in the process of testing the sustainability of the strategy.

1.2 Research Problem

Over the last decade, a growing percentage of the work force has consisted of contract or hourly employees, (Hodgetts and Hegar, 2008). One advantage of this arrangement is that it helps both employees and employers be able to meet specific objectives in a given time line. The work place environment is constantly evolving. Technology, computers, cell phones, pagers and the internet, has changed how we do business and where we work. For example some employees no longer go into an office to work; they use their computer at home, their laptop in the car, or cell phone on a remote work site. As a result, today's managers are constantly faced being faced with new challenges in managing employees, (Hodgetts and Hegar, 2008). The most successful companies are discovering that they need to implement one critical strategy: hire the right people with the right talent and then give them an opportunity to unlock their full creative potential, (Hodgetts and Hegar, 2008). Of all the challenges facing management, this maybe the greatest challenge.

For any firm to be successful in the implementation of its strategy, it cannot ignore human resources. A human resource strategy is the active effort by the firm to manage people and their skills with the immediate and long term aims of the business in mind, (Torrington et al). This means that as the firm plans to do what they do best, the people have to be put in mind. The issue of flexible workforce and its impact on labor markets is considered highly debated subject in many developed and modern countries. Thus the rise in flexibility has led to a growing proportion of workers in different typical employment relationships which include contract and temporary.

Human resource strategy has to be one that takes into consideration quite a number of factors when aligning the organization to the short and long term objectives, which may include; how many employees are needed to make the strategy work, what levels should they be, is the expansion expected to be permanent, should the employees be hired on permanent, contract or temporary terms, what will be the expenditure in terms of reward, what is the expected trend in the environment in terms of change amongst others. These are very hard questions to answer given the emergent nature of strategy and the constantly evolving banking sector as for the case of Barclays Bank of Kenya. At the same time, the employees are at a dilemma on whether to be absorbed permanently or on contract terms. Reason being, each option has its advantages and disadvantages. One allows you the flexibility in terms of time and movement, while the other restricts but tends to give more benefits inform of motivation. This research therefore seeks to find out strategies used by Barclays Bank of Kenya balance between its contract and permanent employees. It will find out how Barclays Bank keeps both contractual and permanent staff as well as balancing them in terms of numbers and operation at lowest cost possible.

Recent studies on a similar topic have concentrated on attraction and retention of employees. For instance, Omamo, (2006) focuses on analyzing factors that are used to attract and retain employees in the media industry. He tries to bring out what makes presenters move from one station to another. In his findings, it is clear that financial and nonfinancial compensation, benefits, job security, career development opportunities and training are major factors to consider. Oroni, (2006), focuses on turnover in organizations, though it is a case study for Kenya Wildlife Service (KWS). As for him, he tries to find out why leave KWS or change jobs often. The closest study has been done by two MBA students. Njoroge, (2009) and Wanjanja, (2009) both have research done on strategies used by Barclays Bank of Kenya to retain employees. They try to bring out the ways the bank tries to maintain its workers by using strategies such as compensation, entitlement to various benefits, and provision for growth opportunities among others. All these are just ways to ensure that employees are retained. But the two do not consider the choice of contractual staff that can easily be laid of verses permanent staff by Barclays as a strategy. Not forgetting the balancing between the two employee relations to ensure that the bank is always ready to respond to the ever changing external environment.

1.3 Objectives of the Study

The general objective of this study was to determine how Barclays Bank of Kenya implements its Human Resource strategies that relate to maintenance of an optimal balance between contract and permanent employees. The Specific objectives of the research were to establish strategic initiatives Barclays Bank has had over the last five years and whether or not there has been a correlation between these initiatives and the trend in contract/permanent employee ratio over that period. The study further evaluated the effectiveness of this model in improving performance and attaining the overall strategy of the bank as well as any challenges that faced in the implementation of this model.

1.4 Value of the Study

The labor that an organization employs is, in nearly all the cases, the most expensive item of its operating costs, (Harris et al, 2004). As the competition gets tougher, the pressure on operating costs increases as well. For a company to have control of its operating costs, it must be able to match its employment pattern closely to the work available. This calls for a tactful balance in terms of recruitment, which calls for "labor flexibility". The concept of "labor flexibility" remains both in theoretical and practical terms highly problematic, (Harris et al, 2004).

The study will be instrumental to Barclays Bank of Kenya given that it is still trying to perfect the use of both contract staff and permanent ones. It will be able to know how best to handle and balance these two opposing sides so as to be able to respond strategically to the ever changing environment. The banking industry as well will not be left behind as this goes a long way in ensuring that the human resources are optimally utilized when and where needed. This as well makes the industry quite competitive and marketable. It will also embrace the growing trend of temporary labor force. This is because the changes and development of a more flexible labor market have been controversial, (Harris et al, 2004). As Harris and the others continue on, that there are those who see the development of the flexible workforce as a long-overdue move away from rigid forms of employment towards forms which can be more responsive to the needs of employees or can be more “ family friendly” in terms of time.

The policy makers in terms of strategic human resources stand to gain as this will form a platform to further develop and improve on the model of combining contractual and permanent employment terms. This applies to constantly changing environments similar to banking as well as a good way of selecting top talent for permanent employees. The academia will be able to continue with the research to expand in other areas related to employee relations and strategic moves in terms of staff.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter summarized other scholarly works that were consulted for the purposes of this study. The literature review brought out the concept of strategic management of human resources, describe the various employment relationships as well as explain the terms and conditions for the various forms of employment. The chapter will also analyze the concept of flexible labor in organizations.

2.2 Strategic Management

Ansoff (1984), defines Strategic Management as a systematic approach to the major and increasingly important responsibility of general management to position and relate the firm to its environment in a way which will assure its continued success and make it secure from surprises. According to Johnson, et al (2008), the scope of strategic management is greater than that of any one area of operational management. Strategic management is concerned with complexity arising out of ambiguous and non- routine situations with organization-wide rather than operation- specific implications. According to them, strategic management includes understanding the strategic position of an organization, strategic choices for the future and turning strategy into action. A good grasps of these propositions necessitates a proper understanding of the concept of strategy.

There are various definitions of strategy. For instance, Johnson et al, (2006) defines strategy as the direction and scope an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations where as Capon, (2008) describes it as a general direction set for the company and its various components to achieve a desired state in the future. Strategy results from the detailed strategic planning process. A strategy is all about integrating organizational activities and utilizing and allocating the scarce resources within the organizational environment so as to meet the present objectives. While planning a strategy it is essential to consider that decisions are not taken in a vacuum and that any act taken by a firm is likely to be met by a reaction from those affected, competitors, customers, employees or suppliers, (Henry,1995).

2.2.1 Strategy Implementation

Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives, (Tyson, 1995). Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Organizational structure allocates special value developing tasks and roles to the employees and states how these tasks and roles can be correlated so as maximize efficiency, quality, and customer satisfaction-the pillars of competitive advantage, (Pearce II and Robinson, 1997).

But, organizational structure is not sufficient in itself to motivate the employees. An organizational control system is also required. This control system equips managers with motivational incentives for employees as well as feedback on employees and organizational performance. Organizational culture refers to the specialized collection of values, attitudes, norms and beliefs shared by organizational members and groups.

2.2.2 Strategic Management of Human Resources

A human resource strategy is the active effort by a firm to manage people and their skills with the immediate and long term aims of the business in mind, (Henry, 1995). It involves the intentions of the corporation both explicit and covert, toward the management of its employees, expressed through philosophies, policies and practices. It is important for employers to ensure that employees understand that what they do matters at the strategic level. Helping people see how their work relates to the bigger strategic picture can enhance the likelihood that they will indeed, contribute positively to helping achieve competitive success and increase their motivation to do so, (Johnson, et al, 2006).

In the process of pursuing success in the competitive environment, an organization needs to understand its strategic capability, (Pearce II and Robinson, 1997). This implies that the firm needs to know how to deliver value to customers that is to say, understand how that value is created or lost. The value chain concept can be helpful in understanding how value is created or lost in terms of the activities undertaken by the organization. It describes the activities within and around an organization which together create a product or a service, (Johnson, et al, 2006). In a value chain, there are primary activities which are directly concerned with the creation or delivery of a product or a service, (Johnson, et al, 2006). To ensure success of the primary activities, they are linked to support activities to help improve their effectiveness or efficiency. The support activities are divided into four groups, procurement, technology development, human resource management and infrastructure, (Mintzberg, et al, 1999).

Graham and Bennet, (1995) suggest that the organizations have to be very strategic in terms of how many people to recruit and in what capacities given that there is a cost factor involved. Most employers would want to hire on contract terms because it is considered cheaper while some sectors, due to their nature of work, they can only accept employees on permanent terms, (Marchington, et al, 1998). Each of these choices has advantages as well as factors influencing the choice of either. The employees as well are faced with the challenge of deciding the terms of work. To some, they would wish to be absorbed in the organizations as temporary staff so that they enjoy the advantages that accompany the same, while others would wish to be employed on permanent terms to be part of the benefits that accrue to a permanent employee.

Any given sector that experiences massive growth is faced with the challenge of human resources which has to be strategic. The increase in growth leads to increase in employment opportunities, and competition amongst the affected sectors as well as technological advancement. This implies that employees would want to be in a place where they get optimum utilization as well as rewards, (Tyson, 1995). The employers on the other hand would be out looking for skilled competent labor at an affordable cost. In regard to this, a balance has to be attained by both parties while keeping in mind the external competition, (Johnson, et al, 2006).

Basically, strategic human resource management is all about linking the human resource function and activities to an organization's strategic objectives, (Taylor, et al, 2008). It helps identify the business strategy that a firm can adopt. Organizations, particularly business entities, must succeed financially for them to survive and this is the reason why business plans are prepared. Once the plan is in place, then the key part is to make it a reality. Strategic human resource managements make this possible through various ways, for instance, enhancing an organization's economic performance, increasing employee and organization's productivity, lower labor costs, and turnover, increase customer satisfaction, among others, (Hodgets and Hegar, 2008).

Successful strategy implementation depends in large part on the firm's primary organizational structure, (Robinson and Pearce, 1997). Structure helps identify the firm's key activities and the manner in which they will be coordinated to achieve the firm's strategic purpose. A key critical task for strategic management is the implementation of the strategic choices by means of budgeted resource allocation in which the matching tasks, people, structures, technologies and reward system is emphasized. Each organization tries to balance its employees to ensure that they are not over staffed at any given point. Most firms nowadays are very cautious as far as recruitment of employees is concerned and the model to use. The traditional model of permanent employment is slowly being eroded and instead replaced by the flexibility model that allows the organizations to be able to change their strategies without much variation in cost.

2.3 Employment Relationships

The employee relationship is the legal link between the employers and employees, (Sparrow, et, al, 2004). It exists when a person performs work or services under certain conditions for remuneration. Building successful employment relationships is important. It also makes good business sense: organizations with good employment relationships tend to be more successful. The nature of the engagement between the candidate and the organization will revolve around the signing of a contract that ought to be beneficial to either party. Employee relations are concerned with how to gain people's commitment to the achievement of the organization's business goals and objectives in a number of different situations, (Harris, et al, 2004). It is also about ensuring that the organizational change is acceptable. The accelerated growth of diversity in the work force over the past twenty years has spawned new developments in managing employee relations, making it one of the biggest challenges facing managers, (Storey, 1998). Furthermore, no organization wants to be known as one that does not foster strong employee relations. To survive in a highly competitive business environment, firms want to attract and retain the best talent from all walks of life and be known as the employer of choice, (Schuler and Jackson, 2000).

2.4 Forms of Employment

The dynamic nature of the work place and the desire by organization come up with cost effectiveness modes of operation force organizations to introduce different forms of employment that guarantee flexibility at low cost, (Beardwell, et al, 2004). For instance, permanent and pensionable employment is where the employee is permanently engaged to the organization and is entitled to pension, benefits at the expense of the employment period, having attained the retirement age, (Hendry, 1995). While a part-time worker is one who works for much less hours than the full time job in a given week. From time to time, the organization may be forced to engage part time workers who are relatively cheaper to hire and there is increased flexibility in their usage, (Beardwell, et al, 2004).

Contract terms allow the organization to engage the labor for the duration their services are needed and management is in a position to ensure the complex labor needs of the organization are always met. By engaging the employees on contract, the organization will; avoid losing its valuable employees who might otherwise have stayed, gain full commitment and loyalty of the employees during the contract duration, avoid getting the employment period using such that the individuals may remain in employment even when they are no longer productive e.g. a rolling contract that is paged on performance maybe introduced, and reduce or eliminate the likelihood of such employees joining the competition especially with a forms valuable intelligence, (Taylor, et al, 2008).

According to Atkinson, (1984), there are four types of flexibility that a firm can consider to strategically manage the constantly changing environment. The first one being numerical flexibility, which means that an organization should be sufficiently flexible to adjust labor inputs to meet demand fluctuations, (Walton, 1999). Options include use of part time and temporary staff, short term contracts, and casual workers. The second one is functional flexibility which relates to the versatility of employees and their working flexibility within and between jobs, (Atkinson, 1984). This breaks down demarcation between job roles. Third being pay flexibility that enables organizations to adjust its wage and salary outgoing in accordance with fluctuations in output. It puts increasing emphasis on merit pay and other forms of performance related and output driven reward. The last type of flexibility is distance strategies that refer to subcontracting certain functions rather than reorganizing internal staffing policies, (Lisa, 2011).

2.5 Flexibility in organizations

Understanding the dynamics of the organizational environment is only one part of taking a strategic approach to employee resourcing, (Taylor, et al, 2005). Having gained the understanding, one must decide how the organization can best interact with its environment to maximize its performance. The work place environment is constantly evolving and the nature of employment has changed from predominantly manual and blue collar jobs to white collar, (Price, 2007). Work has been revolutionalized by the introduction of information technology which puts a premium on skilled competent "knowledge". It has already been observed that one of the most pronounced trends in recent years has been replacement of full-time, long time jobs with other types of positions, (Price, 2007). These include part times, temporary jobs, consultants, franchise and so on. Business strategies have focused increasingly on flexible working in order to reduce costs of the products and services, (Hoskisson, et al, 1997).

The concept covers a combination of practices that enable organizations to react quickly and cheaply to environmental changes in terms of people employed. In essence, flexibility is demanded from work force in terms of pay, contractual rights, hours and conditions, and working practices.

The most common factors driving organizations to adopt more flexible working practices include, increased competiveness both nationally and globally, new technology even now and then, government policies and so on, (Schuler and Jackson, 2000). Marchington and Sparrow, (1998), conclude that employers benefit from flexibility since it increases their freedom of action. This is by enabling them to redirect their efforts, refocus resources and consider new approaches as well as attempt to get the most from their employees for the lowest cost possible. The implications of flexible working are widely evident. The employers are able to develop ways of employing people, or even getting the work done without employing people that closely match the need for the work, (Haris, et al, 2004). In some cases, temporary candidates are often highly qualified and experienced and can add enormous value to a business in the short term. This ensures the most economic use of labor.

With contractual labor, organizations are able to experience productivity gains given that staffs only work when they are required and wholly focus on achieving the firms' objective throughout the time, (Taylor, 2005). New equipment and working methods can as well be introduced quickly and efficiently by temporarily hiring those with the knowhow, (Graham and Bennet, 1995). The fear of redundancy of employees with the current technological evolution leads as well to preference over contractual labor.

Alan, (2007), also notes that most firms take active steps to avoid employee turnover. This is because turnover is disruptive and costs money. Recruitment advertising and redundancy payments are expensive, and training new employees represents a considerable investment in time and effort. Employees on permanent terms seem to have a sense of settling down hence reducing turnover. Reduced employee turnover implies that the employer retains the best experienced staff, reduces the costs involved with recruitment, is able to reward performance with promotion in a more systematic way, and is able to have a strategy that can be implemented much easily because of reduced uncertainty, among other reasons, (Houseman, 2001). With permanent staff, the employer can be able to plan much easily compared to non-permanent workforce because of the uncertainty involved with the latter.

By engaging contractual workers, employers are able to be agile and save on costs, (Lisa, 2011). In contrast to hiring and firing permanent employees, using temporary workers allows firms to adjust labor without adjustment costs, (Ono, 2009). The contingent work force acts as a variable workforce for companies to select from to perform specific projects or complete specialized projects. Also as organizations make efforts to be more agile and to quickly respond to change in order to be more competitive, they turn to the contingent workforce to have on-demand access to professionals and experts, (Sullivan and Segal, 1995). Organizations see the opportunity to reduce benefits and retirement costs by engaging the contingent workforce. Using the contingent workforce is also cost effective in that using contingent labor allows for adjustments to employment levels and employment costs depending on what kind of expertise and labor is needed and at what time it is needed.

With flexibility of employment, there is reduced staff commitment, unwillingness to work beyond the contract among others, (Watson, 1994). There could also arise cases of poor performance as a result of low commitment. Less training of flexible workers means lower skill levels in the organization while on the other hand the employer stands to lose great expertise due to the temporary nature of the employment in case training is done. The insecurity experienced by contractual workers more often results to reduced morale after some time in the organization. This will be because of hostility with the permanent union-sable staff given that they seem more privileged in the organizational structure, (Buchanan and Huczynski, 2001). Security at work that comes with permanent employment provides, improves and enhances the individual’s performance. This in essence implies that the employee will be willing to deliver much more or in other words be more productive given that there is some sense of ownership.

Flexible working environment give the employee an ability to combine work with outside interests, (Marchington and Sparrow, 1998). This goes a long way in insuring job satisfaction, improved motivation and the employee is generally less tired. It also enables one to develop new skills faster hence easier to find jobs in other organizations. In some cases, the temporary status of a worker acts as a testing ground to measure their competency for the role. Hence a good number of staff have earned positions by performing very well as temporary staff.

Beardwell and the others, (2004), though note that workers' awareness that they will be dismissed when the market dips reduces their trust and loyalty in their employer and therefore willingness to cooperate with management. This implies that motivating such staff is quite an uphill task. On the same note, employees are far more likely to be committed to their employer if they feel confidence in their employers' commitment to them, (Price, 2007). There is no possibility of achieving real commitment without mutual trust. Some of the employees on contractual terms are at times less satisfied with the pay, experience job insecurity and feel that they are less influential at work. This in some cases motivates exploitation by managers more or so for the vulnerable workers resulting to inequality in the society.

Storey, (1998), notices unequal treatment of employees in terms of pay for the contractual based verses the permanent counter parts. This is accompanied by limited privileges at the work place for example, insurance cover, annual leave, entitlement to join a union, salary increments, just to mention a few. Furthermore, the limited training opportunities available lead to reduced career development and growth. In some cases, a lot of stress is experienced by the contractual staff due to uncertainty about the future.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses how the study was conducted, explaining the methods and steps that were used to conduct this research. The basis of any meaningful research depends on the methods and procedures employed in data collection and a clear definition of the target group of respondents.

3.2 Research Design

The study was conducted through a case study design. This design was chosen because the study involved an in depth study of the firm's employment model over the past few years. As Mugenda and Mugenda, (1999), states, the use of case study comes in handy when an in depth investigation of an individual group, institution or phenomenon is required. The choice of Barclays Bank was informed by the fact that it is one of the biggest banks in Kenya and internationally. The bank has also has been experiencing consistent growth over the last few years.

Another reason why this design was chosen is that since a case study is an in-depth investigation of a single individual, group, institution or phenomena, it may serve to explore causation in order to find underlying principles. The data obtained is usually more detailed, varied and most extensive. Kothari (2004) indicates that a case study, in most cases, involves qualitative data.

3.3 Data Collection

Data was collected by use of an interview guide .The researcher used both primary and secondary data. Primary was collected by face to face encounter with the respondents. The primary Data mainly targeted strategic level management as well as a few middle level management staff.

An interview guide is useful in directing the researcher towards the topic and he or she wants to learn about. It helps one to know what to ask about, in what sequence, how to pose questions and how to pose follow-ups. It also guides on what to do or say next after the interviewee has answered the last question.

The study population was taken as the employees of Barclays Bank of Kenya who are currently involved in the formulation of strategies and day to day operations of the Bank. The research was conducted in the following Departments namely; Human Resources, Operations, Finance and Administration, Information and Technology, Credit and Business Development.

3.4 Data Analysis

Considering the qualitative nature of the study and the envisaged response as per the interview guide, the data has been analyzed using qualitative content analysis. Content analysis is a method of summarizing any form of content by counting its various aspects, thus enabling a more objective evaluation. The content that is analyzed can be in any form but usually it is converted into written words before it is analyzed. Content analysis has been carried out to identify key themes as expected through the choice of words by the respondents.

Analysis of data collected has been compared with theoretical approach and themes in literature review. The analyzed data has been interpreted with respect to research objectives and theory and- this forms chapter four of this paper. Summary of findings, conclusions and the recommendations made thereof have been presented in chapter five.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter explains the data that was collected in this study. It endeavors to present the collected data using charts and, tables. It further provides detailed information by answering the specific research objectives that had been the basis of this research. The specific research objectives to be discussed are: to establish the current ratio between Contract and Permanent Staff in Barclays Bank; to establish the trend in this ratio over the last five years; to establish strategic initiatives that Barclays Bank has had over the last five years; to establish any correlation between the strategic initiatives of the bank and the contract/permanent employee ratio; to evaluate the effectiveness of this model in improving performance and attaining the overall strategy of the bank; and finally, to establish any challenges that face the implementation of this model and how they can be overcome.

4.2 Analysis and Discussion of Research Data

This section details the findings of the research based on the information collected from face to face interviews with the respondents using the Interview guide:

4.2.1 Demographics

A total of ten respondents were interviewed; five male and five female respondent in various middle and high level management roles. 10% of the interviewed staff has worked in Barclays for 0-5years, 80% have worked for 6-10 years and 10% have worked for 16-20 years. This information about the respondents is tabulated below:

Table 4.1: Gender of the respondents

	Gender		
	Male	**Female**	**Total**
Count	5	5	10
Percentage	50%	50%	100%

Table 4.2: Length of Service of respondents

	0-5 years	6-10years	11-15 years	16-20years	Total
Count	1	8	0	1	10
Percentage	10%	80%	0%	10%	100%

4.2.2 Strategic Initiatives of Barclay bank over the last 5 years

The Reponses on this revolved around Expansion of branch network; Entry into the mass market segment; Cost leadership; optimal use of ICT channels and Reduction in head count.

Table 4.3: Strategic Initiatives By Barclay Bank over the last 5 years

	Strategic Initiatives By Barclays Bank of Kenya over the last 5 years				
	Expansion of branch Network	**Entry to mass market segment**	**Cost leadership**	**Optimal Use of ICT channels**	**Reduction in headcount**
Count	6	8	10	1	4
Percentage	60%	80%	100%	100%	40%

As shown in table 4.3, above, a majority of respondents do not regard Reduction in headcount as having been a strategic initiative by the bank over the last five years. Only 40% felt this was a strategic initiative. On the other hand, 100% of the respondents view use of ICT channels like mobile and internet banking as strategic moves by the bank over the recent past. This response rate was replicated with regard to Cost leadership as a strategic initiative of the bank. 80% supported Entry of the bank into the low end mass market segment while 60% think Expansion of the branch network has been a strategic initiative of the bank over the last five year period.

4.2.3 Barclays bank of Kenya Contract to Permanent staff ratio

The question about the current ratio between contract and permanent staff attracted a wide range of responses that revolved around 1:1, 3:7, 1:10 as tabulated in table 4.4 below:

Table 4.4: Contract to permanent staff ratio

	Contract to Permanent Employee ratio		
	1:1	**3:7**	**1:10**
Count	2	6	2
Percentage	20%	60%	20%

Majority of responses centered around a 3:7 ratio while views that Barclays has contract/permanent ratios of 1:1 and 1:10 attracted 20% responses each.

The next question regarding the trend in this ratio over the last five years attracted similarly varied responses as tabulated in table 4.5 below:

Table 4.5: Trend in Contract: Permanent ratio over the last five years

	Trend in Contract to Permanent Employee ratio over the last 5 yrs		
	Increased	**Decreased**	**Remained constant**
Count	5	2	3
Percentage	50%	20%	30%

50% of the respondents felt that the number of contract as opposed to permanent staff has increased significantly over the last five years. These cited the reason for the increase in the ratio to rapid expansion over the recent past that necessitated hiring of staff on contract terms. 30% respondents thought the ratio had remained constant over the last five years citing the reasons as strict cost and budgetary balance as well as restrictions by the mother company, Barclays Plc, on new recruitments and conversion of employees from contract to permanent employment terms. On the other hand, 20% of the respondents felt that the ratio had decreased over the last five years. The reason cited for this decrease is the gradual but continuous conversion of contract employees with excellent on job performance to permanent employment terms.

4.2.4 Correlation between contract/permanent ratio and strategic initiatives

100% of the respondents interviewed agreed that the striking of a balance between use of contract and permanent employees is in itself a strategic move. The strategies cited as revolving around maintaining such an optimal balance include: Offering one year contracts to new staff for new projects, Motivate such contract staff by providing some benefits similar to those enjoyed by their permanent colleagues and promoting best performing contract staff to permanent and pensionable terms. The full range of strategies that this study evaluated is tabulated below against the level of importance that respondents accorded each on a scale of 1-5:

Table 4.6: Effectiveness of various strategies employed to maintain contra/permanent ratio

Effectiveness of various strategies in maintaining contract: permanent staff ratio (Scale of 1-5)					
Strategy	**1**	**2**	**3**	**4**	**5**
Recruitment of contract staff during expansion	-	-	20%	80%	-
Recruitment of fresh graduates on contract terms	-	-	20%	50%	30%
Recruitment of contract staff for short term strategies e.g. to increase sales	-	-	10%	80%	10%
Providing incentives to contract staff e.g. paid leave days, bonus, medical cover etc	-	-	10%	80%	10%
Promotion of high performing contract staff to permanent status1	-	-	20%	60%	20%
Ensuring that permanent staff have access to more incentives e.g. promotions, salary increments, job security, loan facilities etc	-	-	20%	70%	10%
Ensuring there is no discrimination against any group whether permanent or contract staff	-	-	20%	80%	-

On a scale on 1-5, the majority of respondents felt that the enumerated strategies were effective to a high extent (4/5) but there was room for further improvement as no single strategy had a significant response of 5/5.

4.2.5 Effectiveness of the Barclays employment model in improving performance

50% of the interviewed respondents thought the Barclays model was effective with regard to achievement of its objectives (performance) while another 50% think the contrary is true. The responses are tabulated below:

Table 4.7: Effectiveness of the Barclays employment model in improving performance

	Effectiveness of the Barclays employment model in improving performance		
	Effective	**Ineffective**	**Total responses**
Count	5	5	10
Percentage	50%	50%	100%

The reasons given by respondents who think the model has been effective are that it has saved the bank a lot of money with regard to the amount spent on staff pension schemes as well as other benefits enjoyed by permanent staff and which contractors don't access. When short term projects like sales drives are wound up the bank is under no obligation to renew the contracts and the contract staff are motivated by the desire to be converted to permanent status, so they keep working extra hard.

The respondents who said the model was ineffective cited lack of motivation for the contract staff, blaming it on lack of job security that is inherent in the very nature of the employment arrangement. If the employees are not motivated they leave at the earliest opportunity resulting to a high staff turnover that is not good for the performance of the bank. Some of those who leave join the competition on better terms where they make use of the training and experience gained at Barclays. These respondents also blamed the employment model for deteriorating motivation levels that may have fueled rising incidences of fraud in Barclays as well as other banks who have adopted similar models.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter begins with a summary of the findings of this research, then goes on to discuss conclusions that have been drawn from the research and finally concludes with recommendations from the study.

5.2 Summary of the Research Findings

This study set out to determine how Barclays Bank of Kenya implements its Human Resource strategies that relate to maintenance of an optimal balance between contract and permanent employees. The ultimate goal of the study was to gauge the effectiveness of this employment model in attaining the overall corporate strategy of the bank. The research also aimed at determining the challenges involved in the implementation of such strategies and to suggest workable solutions that could enhance their effectiveness and efficiency in the implementation. This section shall summarize findings of this research in light of the specific objectives of the study which were to establish strategic initiatives Barclays Bank has had over the last five years and whether or not there has been a correlation between these initiatives and the trend in contract/permanent employee ratio over that period. The study also aimed at evaluating the effectiveness of this model in improving performance and attaining the overall strategy of the bank as well as any challenges that faced in the implementation of this model.

5.2.1 Strategic Initiatives Of Barclays Bank of Kenya

This study reveals that over the last five years Barclays bank has had a number of strategic initiatives which included a rapid Expansion of the branch network; Entry into the mass market segment; Cost leadership Initiatives and active use of ICT channels like mobile banking and internet banking platforms. 100% of the respondents interviewed saw use of ICT channels like mobile and internet banking as strategic moves by the bank, a response rate was replicated with regard to Cost leadership as a strategic initiative. 80% supported Entry of the bank into the low end mass market segment while 60% of the respondents thought Expansion of the branch network has been a strategic initiative of the bank over the last five year period.

5.2.2 Barclays strategic Initiatives and the Staffing model

The study has established the current ratio of Barclays contract/permanent staff to be about 3:7 meaning there are three contract staff for every seven permanent employees. This ratio is not homogenous in all departments but some departments have higher ratios of 1:1 while others have much lower ratio of 1:10 only. Since majority of respondents (60%) fixed the ratio at 3:7 and judging by the fact that this is a rough average of the two outliers on both extremes, 3:7 appears to be a logical conclusion of the correct ratio of contract/permanent staff at Barclays bank of Kenya.

On an overall assessment, the contract/Permanent ratio at Barclays has been gradually increasing over the last five years. 50% of the respondents interviewed felt that the number of contract as opposed to permanent staff has increased significantly over the last five years while 30% respondents thought the ratio had remained constant and 20% thought it had been decreasing. The oppositely differing opinions are possible because like in determining the ratio itself, different departments and functions have had different staff needs over the last 5 years. Newer departments with newly developed/experimental projects and processes have recorded increasing contract/permanent employees over the years while the older and more stable departments and/or functions have lower contract/permanent staff ratio which has been decreasing over the years as more and more contract staff exit or get promoted.

The Barclays staffing model of 3:7 contract/permanent staff is closely and positively correlated to its strategic initiatives over the last five years. This study reveals that 100% of the respondents interviewed agreed that the striking of a balance between use of contract and permanent employees is in itself a strategic move. The strategies cited as revolving around maintaining such an optimal balance include: Offering one year contracts to new staff for new projects, Motivate such contract staff by providing some benefits similar to those enjoyed by their permanent colleagues and promoting best performing contract staff to permanent and pensionable terms.

New projects like expansion of branch network, opening up of alternative channels, embracing the new 24 hour contact centre concept and cost leadership initiates – all lead to a logical conclusion of the need for staffing that gives the employer the flexibility to legally release some of the employees when the business no longer require them.

5.2.4 Effectiveness of the Barclays model in improving performance

This study reveals that the Barclays staffing model of 3:7 contract/permanent staff may indeed be effective with regard to improving performance. 50% of the interviewed respondents thought the Barclays model was effective with regard to achievement of its objectives (performance) while another 50% think the contrary is true. The respondents who said the model was ineffective cited lack of motivation for the contract staff, blaming it on lack of job security that is inherent in the very nature of the employment arrangement. If the employees are not motivated they leave at the earliest opportunity resulting to a high staff turnover that is not good for the performance of the bank. Some of those who leave join the competition on better terms where they make use of the training and experience gained at Barclays. These respondents also blamed the employment model for deteriorating motivation levels that may have fueled rising incidences of fraud in Barclays as well as other banks who have adopted similar models.

On the other hand, the reasons given by respondents who think the model has been effective are that it has saved the bank a lot of money with regard to the amount spent on staff pension schemes as well as other benefits enjoyed by permanent staff and which contractors don’t access. When short term projects like sales drives are wound up the bank is under no obligation to renew the contracts and the contract staff are motivated by the desire to be converted to permanent status, so they keep working extra hard.

5.3 Conclusion

In conclusion, this research has established that the current contract to permanent staff ratios is aligned at achieving the strategic initiatives of the bank. The implementation has been fairly successful but some hiccups have been observed resulting to very high staff turnover of employees engaged on contract terms whenever they get better opportunities elsewhere. Staff training is expensive and while maintaining a level of contract staff may help to achieve optimal performance at minimal cost implications, various aspects of staff motivation must be extended to such contractors.

5.4 Recommendations

This study recommends of this that Barclays bank and other banks should consider engaging contract staff for a longer contractual period, say, three year contract instead of the current one year contracts. This will enhance the sense of job security and create loyalty among the employees which should lead to increased productivity. The study further recommends that contract staff be given the first priority when there emerge openings for permanent positions within the organization. This too will create a sense of job security and loyalty to the organization.

REFERENCES

Ansoff, H. and Mc Donnell E. (1990). *Implementing Strategic Management.* Prentice Hall, Cambridge UK, 2nd Edition.

Atkinson, J., (1984). *"Man power Strategies for Flexible Organizations"* Personnel Management. August.

Beardwell, I., Holden, L., & Claydon, T. (2004). *Human Resource Management, a contemporary Approach.* England: Prentice Hall.

Bennett, R., & Graham, H., T., (1995). *Human Resource Management.* Longman Group.

Chen, Lisa, "The Changing Workforce" (2011). Cornell HR Review. Paper 20.

Claire C. (2008). *Understanding Strategic Management.* Prentice Hall

Ghoshal, S., Quinn, J., B., & Mintzberg, H., (1999). *The Strategy Process.* London: Prentice Hall.

Harris, H., Brecoster, C., & Sparrow, P., (2004). *International Human Resource Management.* London: Chartered Institute of Personnel and Development.

Hegar, K., N., & Hodgets, R., M., (2008). *Modern Human Resource Relations at Work.* USA: South-Western.

Hendry, C., (1995). *Human Resource Management, A Strategic Approach to Employment.* Butterworth-Heinemann.

Hoskisson, R., E., Ireland, R., D., & Hitt, M., A., (1997). *Strategic Management Competitiveness and Globalization*. West Publishing Company.

Huczynski, A., & Buchanan, D., (2001). *Organizational Behavior, An Introductory text. England:* Pearson Education Limited.

Johnson, S.,(2004). *"The impact of microfinance institutions in local financial markets: a case study from Kenya."* Journal of international development. 16(3):501-517.

Johnson, S., (2002). *Exploring Corporate Strategy.* Financial Times Prentice Hall, 7th Edition.

Katz L. & Krueger A., (1999), *"The high pressure U.S. labor market of the 1990s,"* Brookings Papers on Economic Activity, Vol. 30, No. 1, pp. 1–87.

Segal L. M & Sullivan D. G, (1995), *"The temporary labor force",* Economic Perspectives, Federal Reserve Bank of Chicago , Vol. 19, No. 2, March/April, pp. 2-19.

Marchington, M., & Sparrow, P., (1998). *Human Resource Management,* The New Agenda. London: Prentice Hall.

Mugenda, O. M & Mugenda, A.G (1999). *Research Methods, Quantitative and Qualitative approaches.* Nairobi, Acts Press.

Njoroge, B., (2009). *Strategies used by Barclays Bank of Kenya to retain employees. University of Nairobi.* Unpublished Masters in Business Administration Project.

Omamo, A., (2006). *An Analysis of Factors used to Attract and Retain Employees in Competitive Environment. A case of presenters in selected FM stations operating in Nairobi.* University of Nairobi. Unpublished Masters in Business Administration Project.

Oroni, E., (2006). *Labor Turnover in State Corporations in Kenya. A case of Kenya Wildlife Services (KWS).* University of Nairobi. Unpublished Masters in Business Administration Project.

Pearce II, J.A., & Robinson, Jnr, R. B., (1997). *Strategic Management, Formulation, Implementation, and Control.* McGraw-Hill.

Price, A., (2007). *Human Resource Management in a Business Context.* Cengage Learning EMEA.

Houseman S. N., (2001), *“Why employers use flexible staffing arrangements: Evidence from an establishment survey,”* Industrial and Labor Relations Review, Vol. 55, No. 1, October, pp. 149–170.

Schuler, R., S., & Jackson, S., E., (2000). *Managing Human Resources, A Partnership Perspective.* South-Western College Publishing.

Storey, J., (1998). *Development in the Management of Human Resources.* Blackwell Business.

Taylor, S., Hall, L., & Torrington, D., (2008). *Human Resource Management.* London: Prentice Hall.

Tyson, S., (1998). *Human Resource Strategy*. London: Pitman.

Walton, J., (1999). *Strategic Human Resource Development.* London: Prentice Hall.

Wanjanja, N.B., (2009). *Strategies used by Barclays Bank of Kenya to retain employees.* University of Nairobi. Unpublished Masters in Business Administration Project.

Watson, T., J., (1994). *In Search of Management:* Culture, Chaos, and Control in Management Work. Routledge.

Yukako Ono, (2009), *"Why do firms use temporary workers?"* Chicago Fed Letter, No. 260, March.

http://www.centralbank.go.ke/financialsystem/banks/Register.aspx (30th August 2012)

http://www.barclays.com/africa/kenya/ (23rd August 2012)

APPENDICES

Appendix 1: Letter of Introduction

The respondent

BARCLAYS BANK OF KENYA

P0 BOX 30120, 00100

NAIROBI

Dear respondent,

Ref: REQUEST FOR YOUR PARTICIPATION IN DATA COLLECTION.

I am a postgraduate student at the University of Nairobi, school of business pursuing a master degree in Business Administration. In order to fulfill the degree requirement, I am undertaking a management research project on the Strategy Implementation by Barclays Bank of Kenya in Balancing the Use of Contract and Permanent Employees.

I will be very grateful and appreciate if you found time to respond to the questions 1 have on the interview guide. The questions are specific and wouldn't take you more than thirty minutes. Please be assured that the information that you provide will be used exclusively for academic purpose of this research project. A copy of the findings will he availed to you on request once the study is complete.

Yours faithfully

Wyclife Adolwa Ouya

MBA Student

University of Nairobi

Dr. JOHN YABS

Project supervisor

University of Nairobi.

Appendix II: Interview Guide

PART ONE

Demographics

Please provide me with the following demographic information. Responses will be treated and kept confidential and reported in the aggregate only.

1. Age (Yrs): ☐18-25 ☐26-35 ☐36-45 ☐46-55 ☐over 55

2. Gender: ☐Male ☐Female

3. Length of Service (Yrs): ☐0-5 ☐6-10 ☐11-15 ☐16-20

   ☐over 20

4. Grade Level: ________________________
5. Current Job Title: _____________________

PART TWO

6. In your view, are there any strategies in place in the use of contract and permanent employees in Barclays Bank of Kenya?

   ☐ Yes ☐ No

7. If “Yes” in the above, kindly list them to the best of your knowledge:

   a. ____

   b. ____

   c. ____

   d. ____

   e. ____

8. Please indicate if any of the following strategies are in use in Barclays Bank of Kenya: (Tick as appropriate)

	Strategy	**Yes**	**Maybe**	**No**
1.	Recruitment of contract Staff during expansion			
2.	Recruitment of fresh graduates on contract terms			
3.	Recruitment of contract staff for specific short term strategies e.g. to increase sales.			
4.	Providing incentives to contract employees e.g. paid leave days, bonuses, medical cover, gratuity etc.			
6.	Promotion of high performers to permanent status			
7.	Ensuring that permanent staff have access to more incentives e.g. promotions, salary increments, job security, loan facilities, among others.			
8.	Ensuring no discrimination against any group, whether permanent or contract staff.			

9. Please rate how effective each of the following strategies is effective within Barclays Bank of Kenya in balancing the use of contract and permanent employees. Use the scale below to tick as appropriate in the following table.

    1. Not at all effective
    2. Not very effective
    3. Neutral
    4. Effective
    5. Very effective.

	Strategy	**1**	**2**	**3**	**4**	**5**
1.	Recruitment of contract Staff during expansion					
2.	Recruitment of fresh graduates on contract terms					
3.	Recruitment of contract staff for specific short term strategies e.g. to increase sales.					
4.	Providing incentives to contract employees e.g. paid leave days, bonuses, medical cover, gratuity etc.					
6.	Promotion of high performers to permanent status					
7.	Ensuring that permanent staff have access to more incentives e.g. promotions, salary increments, job security, loan facilities, among others.					
8.	Ensuring no discrimination against any group, whether permanent or contract staff.					

10. What is the ration of permanent to contract employees currently?

____

11. What has been the trend of this ratio (mentioned above in No. 10) over the last 5 years?

☐ Increased ☐ Constant ☐ Decreased

12. What could have led to your choice in 11 above?

____

____

13. In your view, has the model of contract and permanent employees used by Barclays Bank of Kenya been successful in improving performance?

☐ Yes ☐ No

14. Give a brief reason for your choice above (No. 13).

____

____

15. Do you feel that there are some strategies that could be implemented to make the model better?

☐ Yes ☐ No

16. If "Yes " in above kindly list some of them:

____

____

Thank you for your patience and participation!

Appendix III: Authorization Letter

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAM

Telephone: 020-2059162/0711642416
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE:...27/09/2012...

TO WHOM IT MAY CONCERN

The bearer of this letter....WYCLIFE ADOLWA OUYA....

Registration No....D61/71393/2008....

is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her course assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Liberia. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.

UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
27 SEP 2012
MBA OFFICE
P.O. Box 30197 - 00100, NAIROBI

IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE