

**STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES
ADOPTED BY STATE CORPORATIONS IN THE MINISTRY OF
TRANSPORT IN KENYA**

ROSE N. WASIKE

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DECLARATION

This management research project is my original work and has not been presented to any other university for a degree award.

STUDENT: RNsuke DATE: 8/11/2012

ROSE NEKESA WASIKE

D61/91/94/2005

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

SUPERVISOR: Florence Muindi DATE: 10/11/2012

FLORENCE MUINDI

LECTURER, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI.

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DEDICATION

This project is dedicated to my family members especially my husband Edward Bwire Wanyama and son Brian Wasike Magotsi for their love and support during the time I have been working on this project. Their patience and encouragement have been of great help to me. I shall remember them for this forever.

ABSTRACT

A comprehensive human resource strategy plays a vital role in the achievement of an organization's overall strategic objectives and illustrates that the human resources function fully understands and supports the direction in which the organization is moving. For organizations to be able to adapt to their turbulent environment they must embrace strategic human resource management.

The purpose of this study was to establish the strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya. This study adopted a cross-sectional survey design. The population of the study was all the seven State Corporations in the Ministry of Transport in Kenya. A census approach was adopted since the population size was small. Data was collected through a semi-structured questionnaire developed by the researcher. The respondents were heads of human resources in each of the seven State Corporations in the Ministry of Transport in Kenya. Out of the seven respondents furnished with questionnaires only six responded. Data was analyzed using measures of central tendency (Mean, mode, median, variance and standard deviation).

The results have been presented using tables and charts for ease of understanding. The findings of the study indicate that State Corporations in the Ministry of Transport in Kenya have adopted strategic human resource management practices. There are some practices with a very high rate of adoption and those with a relatively low rate of adoption. The strategic human resource management practices with a high rate of adoption include human resource planning practices, training and career development practices and performance management practices. The ones with a low adoption rate include recruitment and selection practices, compensation practices and employee relations practices. The study concludes that strategic human resource management practices are mutually enhancing and synergistic when applied simultaneously. The study recommends that if carefully considered and implemented, the study variables would help achieve positive changes in state corporations with desirable success rates in service reform in all public service jurisdictions.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Strategic human resource management is the interface between human resource management and strategic management (Boxall, 1996). Human resource management dates back to as early as the 1950s when management writers like Drucker and McGregor stressed the need for visionary goal directed leadership (Budhwar and Aryee, 2007). The concept of Strategic human resource management arose from the perspective that human resources are a major source of competitive advantage for business rather than access to capital or use of technology. Given that perspective, it was imperative that attention be paid to the nature of human resource and its management and how it would impact human resource behavior and performance both at individual and organizational level (Torrington et al, 2008). Organizations exist and operate in complex environments with political, economical, social, technological, ecological and legal variables that are rapidly changing. Arising from this scenario, there was need to focus on better management of human resource, thus the birth of Strategic Human Resource Management (Fombrun et al, 2008).

Strategic human resource management is concerned with the contributions human resource strategies make to organizational effectiveness, and the ways in which these contributions are achieved. Strategic human resource management practices enhance employee productivity. Integrating the use of human resource practices into strategic planning process enables an organization to achieve its goals and objectives. Productivity gains from the diffusion of technological innovations that are now incorporated into public and private sector organizations. Future productivity gains must focus on how people use these technologies Hendry (1995). Huselid and Becker (1997) found that there were noticeable financial returns for organizations whose human resource management systems have achieved operational excellence and are aligned with strategic business goals.

According to Ulrich (1998), a major role of human resource personnel is to become a strategic business partner. Youndt and Scott (1996) find that firms employing human resource practices according to the stated strategy are regarded as having better performance. A comprehensive human resource strategy plays a vital role in the achievement of an organization's overall strategic objectives and illustrates that the human resources function fully understands and supports the direction in which the organization is moving (Kono, 1994). Strategic human resource management has been used by organizations to ensure positive company growth. This has been achieved through ensuring that organizations have skilled, committed and well motivated employees they need to achieve sustained competitive advantage. Strategic human resource management is used to achieve integration and adaptation to ensure that human resource management is fully integrated with the strategy and strategic needs of the firm, human resource policies cohere both across policy areas and across hierarchies and human resource practices are adjusted, accepted and used by line managers and employees as part of their everyday work. The strategic goal is to create firms which are more intelligent and flexible than their competitors (Boxall, 1996).

1.1.1 Human Resource Management

Human resource management comprises a set of policies designed to maximize organizational integration, employee commitment, flexibility and quality of work (Guest,1987). The overall purpose of human resource management is to ensure that the organization is able to achieve success through people. Ulrich and Lake (1990) argued that human resource management systems can be the source of organizational capabilities that allow firms to learn and capitalize on new opportunities.

Modern business corporations operate in an environment of global recession, increasing competition, scarcity of resources and an abundance of highly educated workforce. Arising from this scenario, there was need to focus on better management of human resource, thus the birth of strategic human resource management whose inputs and activities are at par with those of marketing and finance in terms of recognition of impact on the bottom line(Fombrun et al ,2008)

1.1.2 Strategic Human Resource Management

Strategic human resource management is the process of linking the human resource function with the strategic objectives of the organization in order to improve performance. Strategic human resource management is the interface between human resource management and strategic management (Boxall, 1996). Strategic management is a set of decisions and actions resulting in the formulation and implementation of strategies designed to achieve the objectives of an organization. (Pearce and Robinson, 1988). Price (2007) defines strategy as the means by which an organization seeks to meet its objectives. Strategic human resource management is an approach that defines how the organizations goals will be achieved through people by means of human resource strategies and integrated human resource policies and practices. Strategic human resource management can be regarded as a mindset underpinned by certain concepts rather than a set of techniques. It provides the foundation for strategic reviews in which analyses of the organizational context and existing practices lead to choices on strategic plans for the development of overall or specific human resource strategies. Strategic human resource management involves the exercise of strategic choice and the establishment of strategic priorities.

A good business strategy, is informed by people factors. One of the driving factors behind the evaluation and reporting of human capital data is the need for better information to feed into the business strategy formulation process. An organization's human resource management policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces. Armstrong (2006). According to Price (2007), strategy is about choice. The underlying assumption is that the firms can make deliberate decisions about their markets, products or services they provide, prices, quality standards and the deployment of human and other resources. Strategic thinking is based on rational decision making, taking into account the competitive and financial pressures on an organization and the resources available to it including its people. A strategic orientation is a vital ingredient in human resource management. It provides the framework within which a coherent approach can be developed to the creation and installation of HRM policies systems and practices.

1.1.3 Strategic Human Resources Management Practices

Strategic Human Resources Management Practices are those practices specifically developed, implemented and executed based on a deliberate linkage to a company's strategy (Huselid, Jackson and Schuler 1997). The term strategic human resource management implies that employees are strategic resources. This means that the human capital must be managed and leveraged in executing the corporate strategy. There has been continuing debate on the subject of how Strategic human resources management practices themselves should be measured and related to the organizational performance.). Delaney et al. (1989) speak about ten human resource management practices in the areas of selection, appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, and labor management participation as sophisticated human resource management.

1.1.4 State Corporations in the Ministry of Transport

The Ministry of Transport in Kenya is responsible for the various core functions such as policy formulation, review and overseeing the implementation of the policies in the transport sector. The ministry ensures development of regulatory frameworks and service delivery by institutions in the sector through relevant legislations, policy direction, performance monitoring and evaluation. This is enforced through the following State Corporations: Kenya Civil Aviation Authority , Kenya Maritime Authority , Kenya Airports Authority, Kenya Ports Authority, Kenya Railways Corporation and Kenya Ferry Services. Performance Contract for the Ministry of Transport (Financial Year 2008/2009).

State Corporations are quasi government agencies linked to government ministries or departments. The State Corporations are established by an Act of Parliament under the State Corporations Act (Cap 446 Laws of Kenya). They extend performance of certain services of central government to the nation. These corporations make a surplus in order to sustain themselves while meeting their objectives. The overall responsibility for

coordination of state corporations is under the Inspectorate of State Corporations, Office of the Prime Minister (DPM, 2006).

Some of the services provided by the state corporations include; transport, financial, communications, energy, agricultural as well as industrial among other services. From the early 1990's the Government of Kenya came under both internal and external pressure to institute radical public service reforms as an obligation to its citizens.(Opiyo, 2006). The government introduced performance contracting in the public sector in 2005. Since 2006, the Government of Kenya categorizes the performance of public institutions annually on a criteria based on their performance contracts.

1.2 Research Problem

McMahan and McWilliams (1994) proposed that it is through the human resource capital pool and employee behavior that human resources can constitute a sustained competitive advantage. Managers can implement human resource practices that positively impact the knowledge creation process and, as a result, the strategic goals of the firm. Armstrong (2006). Strategic human resource management practices have been used by management to ensure positive company growth. This has been achieved through strategic human resource plans that aim at selection and recruitment of high skilled and competent employees, offering competitive salaries and wages, frequent training and development of their employees and emphasizing health and safety in the work environments. As suggested by Armstrong, (2006) an organization can achieve its objectives if it deploys its people in ways that maximize the added value they supply.

The Ministry of Transport in Kenya oversees the operations of seven state corporations. The ministry must look at long term relevance of the corporations in the face of competition. To do so, the ministry needs a closer interface between its people management strategies and its overall strategic objectives. Strategic human resource management emphasis is on effective management of people as a source of competitive advantage. To remain relevant the Ministry of Transport needs to strength its human resource capability so as to have people in place who can create value both in the present and in the long run. This of course calls for human resource management

practices that are good enough to attract and retain the kind of people who can add value to the state corporations. Research shows that when organizations employ Strategic human resource management practices such as internal career ladders, formal training systems, results-oriented performance appraisal, employment security, employee voice/participation, broadly defined jobs, and performance-based compensation, they are able to achieve their goals and objectives. This gave reason for this study, whose objective was to establish the strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya.

A number of studies have been done on strategic human resource management practices. For instance, Becker and Gerhart (1996), Becker and Huselid (1998), and Dyer & Reeves (1995) empirical studies found that firms which align their human resource management practices with their business strategy achieve superior outcomes. A study was also done in China on Strategic human resource management practices and their impact on Company Performance in Chinese Enterprises, Akhtar (2008). He concluded that in the highly competitive Chinese market, a firm's success increasingly relies on the quality of its human capital. SHRM practices are fundamental constituents in designing the systems. In Kenya, Dimba (2009) studied the effect of Strategic Human Resource Management Practices on Organizational Performance of Manufacturing Multinational Companies in Kenya. She concluded that there was a moderate relationship between Strategic human resource management practices and the firm's performance. Boru (2008) researched on the extent of adoption of the Strategic Human Resource Practices among Non- Governmental Organizations in Nairobi. He concluded that Strategic human resource management practices should be implemented by organizations to adapt to the ever changing environment if they have to remain relevant in terms of performance. They should view their employees as the most valued assets. Barasa (2008) studied Adoption of Best Practices in Human Resource Management among Hotels in Kenya and concluded that the Hotel Industry needs to invest in people management practices that will make the hotels competitive. The human resource is the greatest factor of production.

The understanding in the Kenyan State Corporations about the strategic human resource management practices and their adoption is not developed. There is no research on why the strategic human resource practices have gained great significance in the State Corporations in Kenya. I therefore hope to unravel the factors that have guided the Ministry of Transport to adopt Strategic human resource practices as a tool to gain competitive advantage. This leads to the key research questions: What are the strategic human resources management practices adopted by State Corporations in the Ministry of Transport in Kenya? To what extent have the State Corporations embraced the shift from traditional personnel management to strategic human resource management?

1.3 Research Objective

To establish the Strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya

1.4 Value of the Study

The study will be useful to the Human Resource Managers of the State Corporations in the Ministry of Transport as they will use the findings of this study to develop the Strategic human resource management best practices for their organizations. It will also enable the State Corporations improve their performance and efficiency in service delivered to its stakeholders.

The study will help corporate managers understand the impact of strategic human resource management on the performance of the organization. This will go a long way in improving the quality of the human resource management decisions.

The research will also be vital for researchers and scholars in the field of strategic human resource management as they will use the information as a basis for further research and expand the knowledge base in the transport sector. The research will give an insight to the human resource practitioners on the state of the Strategic human resource management practices in the State Corporations in the Ministry of Transport in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1 Strategy

To understand the concept of Strategic human resource management, it is necessary to appreciate the concept of strategy upon which it is based. (Armstrong,2006). There is no single universally accepted definition of strategy. Infact there is a lot of debate on how strategy is developed and implemented (Hax and Mujluf,1998). According to Chandler (1962) it is the determination of the long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out those goals. Strategy has been defined by Hohnson and Scholes (1993) as the direction and scope of an organization over the long term, which matches its resources to its changing environment and in particular to its markets, customers and clients to meet stake holder's expectations. Quinn (1991). Cole (2002) argues that strategy determines the direction in which the organization is going in relation to its environment..

Grant (1998) argues that for a strategy to be successful, it must be consistent with the firm's goals and values, its external environment, its resources and capabilities, and with its organization and systems. There must be a fit between the organization, strategy and environment. A good business strategy, one which is likely to succeed, is informed by people factors. One of the driving factors behind the evaluation and reporting of human capital data is the need for better information to feed into the business strategy formulation process. An organization's HRM policies and practices must fit with its strategy in its competitive environment and with the immediate business conditions that it faces. Armstrong (2006).

2.2 Human Resource Management

Human resource management dates back to as early as the 1950s when management writers like Drucker and McGregor stressed the need for visionary goal directed leadership (Budhwar and Aryee, 2007). Human Resource Management has virtually replaced the term personnel management as a description of the processes of managing people in organizations. The concept of human resource management was first defined by Bakke (1966) who argued that the general type of activity in any function of management was to use resources effectively for an organizational objective. The function which is related to the understanding, maintenance, development, effective employment and integration of the potential in the resource of people shall be simply called the human resources function. One of the first detailed statements of the human resource management concept was made by the Michigan school (Fombrun et al, 1984). They held the view that human resource systems and organization structure should be managed in a way that is congruent with organizational strategy.

The other pioneers of human resource management in the 1980s were the Harvard school of Beer et al (1984) who developed what Boxall (1992) called the Harvard framework. This framework is based on the belief that the problems of historical personnel management can only be solved when general managers develop a view point of how human resource management policies and practices can be used to achieve organizational goals. Beer and his Harvard colleagues believed that in the modern world many pressures are demanding a broader, more comprehensive and more strategic perspective with regard to the organization's human resources. These pressures have created a need for a long-term perspective in managing people and consideration of people as a potential asset other than merely a variable cost. Thus the birth of strategic human resource management whose inputs and activities are at par with those of marketing and finance in terms of recognition of impact on the bottom line(Fombrun et al,2008).

2.3 Strategic Human Resource Management

The concept of strategic human resource management evolved over the late 1980s and early 1990s with an increased emphasis on a proactive, integrative and value-driven approach to human resource management (Butler, Ferris, and Napier 1991; Schuler 1992). Strategic human resource management views human resources as assets for investment, and the management of human resources as strategic rather than reactive, prescriptive and administrative (Budhwar 2000; Buyens and De Vos 2001). It is defined as the extent to which human resource management is considered during the formulation and implementation of corporate/business strategies (Brewster and Larsen 1992). Fombrun et al (1984) were the first to formulate the concept of Strategic human resource management. They argued that three core elements were necessary for firms to function effectively: Mission and strategy, organization culture and human resource management.

Guest (1989) suggested that Strategic human resource management is concerned with ensuring that human resources management is fully integrated into strategic management; that human resource management policies cohere both across policy areas and across hierarchies and that human resources management practices are accepted and used by line managers as part of their everyday work. Devanna, Fombrun and Tichy (1981) have described the strategic perspective of human resources management. They identified Strategic human resources management in three levels of management – strategic, managerial and operational. Strategic-level activities look to the long term, the managerial level speak about the medium term while the operational level is concerned about the short-term day-to-day management of the organization. Long-term strategic level activities could look at future recruitments, this can be traced back to the current practices of recruitment, selection and training practices. Medium-term operational level activities could ask about five-year plan for marketing department based on development of new markets, compensation and rewards practices, linkage to performance appraisal systems, professional development and training activities and mid-term career paths. Short-term operational level activities would focus on daily activities of staffing and monitoring, salary and wage, control systems and skills training.

Definitions of Strategic human resources management vary in emphasis among scholars: Wright & McMahan (1992); and Lundy (1994) emphasize the elements of human resource planning; Hendry & Petigrew (1990, 1992) stress the management of organizational change; Watson (1986) defines it as coordination mechanism of the organization; Beer (1984), Guest (1987), Dyer & Holders (1988), Lengnick-Hall & Lengnick-Hall (1990); Schuler, Dowling & De Cieri (1993), Truss & Gratton (1994); Ulrich (1997). Boxall (1999); Brand & Bax (2002) highlight human resource policies as a tool for business strategy. Despite the differences in definition, a common thread that is emerging in the literature is that which stresses the relationship between business strategy and human resource practices as the core of Strategic human resources management. What has also emerged from the literature is the broad agreement of the basic function of Strategic human resources management, which is concerned with designing and implementing a set of internally consistent policies and practices that ensure the human capital of an organization contributes to the achievement of its business objectives (Schuler & MacMillan, 1984), Baird & Meshoulam, 1988; Jackson & Schuler, 1995).

2.4 Strategic Human Resources Management Practices

Strategic human resource management practices are those practices specifically developed, implemented and executed based on a deliberate linkage to a company's strategy (Husted, Jackson, and Schuler (1997)). The term Strategic human resource management implies that employees are strategic resources thus human capital that must be managed and leveraged in executing corporate strategy. Strategic human resource management is an approach to making decisions on the intentions and plans of the organization in the shape and policies, programmes and practices concerning the employment relationship, resourcing, learning and development, performance management, reward, and employee relations. Examples of Strategic human resource management practices are recruitment practices, staff appraisal systems, remuneration systems, and work flexibility arrangements and maintaining strategy supportive corporate cultures (Husted, Jackson, and Schuler (1997)). There are various Strategic human resource management practices that have been identified by scholars some of which include; Recruitment- a firm must engage in strategic human resource management planning to

forecast its future human resource needs and competencies to develop innovative recruiting tactics to find and attract the talent needed, commit to a comprehensive selection process which includes assessment tests and background checks, and install a cultural immersion process to fully integrate a new person into the firm. Rothwell (1991) defines recruitment as the identification of required competences as indicated by the strategic direction of the firm, attracting and retaining these competences. Staff appraisal system is a Strategic human resource management practice, according to Price (2007). Performance management and reward systems are also cited as practices that are adopted in Strategic human resource management. Performance management is based on the underlying belief that managers can influence behavior and therefore the rationality is the basis of human action. Price (2007). Providing extensive training and development is necessary for measuring the results and make adjustments as necessary to insure results. Mayer, (2008)

Combining the above perspective of Strategic human resource management , Martell and Carroll (1995) defined Strategic human resource management as having a long-term focus, having a linkage between human resource management and strategy processes, and the expectation that effective human resource management policies should produce organizational performance benefits. There has been continuing debate on the subject of how Strategic human resource management practices themselves should be measured and related to firm performance. Schuler (1992) encompassed the practices within the 5-P (Human Resource Philosophy, Policies, Programs, Practices and Processes) model of Strategic human resource management . More recently, empirical efforts have been based on best practices perspectives that have focused on identifying bundles or configurations of High Performance Work Practices (HPWPs). Delaney et al. (1989) speak about ten human resource management practices in the areas of selection, appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, and labor management participation as sophisticated human resource management.

Becker et al. (1997) include rigorous recruitment and selection, performance-contingent compensation systems, and management development and training activities linked to the needs of the business. Huselid (1995) extended the list to include intensity of recruiting efforts, average number of hours of training per employee per year, promotion criteria to represent the high performance work practices. Delery and Doty (1996) in their review identified seven alternative Strategic human resource management practices of which their research found support on results-oriented appraisals, profit sharing and employment security that were related to overall organizational performance. Thus, in this article we follow Martell and Carroll's (1995) definition of Strategic human resource management and try to explore those individual Strategic human resource management practices defined by role and structure of human resource department, recruitment and selection, promotion, performance appraisal, compensation, retraining and redeployment and rightsizing that correlate with overall organizational performance. Human resource strategies must be integrated with business strategy. These strategies and practices must be adapted to meet perceived threats and opportunities in a changing business environment.

2.4.1 Human Resource Planning Practices

Human resource planning strategies are developed to support the achievement of the organization's objectives. A comprehensive human resource strategy plan plays a vital role in the achievement of an organization's overall strategic objectives and visibly illustrates that the human resources function fully understands and supports the direction in which the organization is moving (Haines (2004). A comprehensive human resource strategic plan will also support other specific strategic objectives undertaken by other departments (Levitt 1960). Buella and Scott (1994) defined human resource planning as the process of ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements. Reilly (2003) defined workforce planning as a process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and source of supply which will be required to meet the demand.

Strategic Human Resource planning practices are fundamental in any company that aims at meeting its corporate / business strategy. These strategic human resource plans include; workforce planning issues, succession planning, workforce skills plans, employment equity plans, motivation and fair treatment issues, pay levels designed to recruit, retain and motivate people, the co-ordination of approaches to pay and grading across the organization, employment issues which impact on staff recruitment, retention, and motivation (Haines 2004). Designing the human resource management system is a human resource process that focuses on the selection, design and alignment of human resource management plans, policies and practices. Capelli, 2000). Career planning, performance appraisals, reward management and employee development must be set according to the vision, characteristics and mission outcomes as reflected in the human resource management plans, policies, and practices.

Despite the environmental turbulences brought about by competition in the industry, State Corporations have maintained its increasing market growth with increasing profits over time. State Corporations in the Ministry of Transport have used strategic human resource planning practices to bring about motivated and competent staff that have contributed to increased efficiency and thus increased growth. Melbourne (1999) suggested, human resource professionals play an important part in strategy formulation for company growth purposes since they develop policies and procedures to match the business strategy, and thus directly influence the development of the business. Additionally they recruit critical resources to enhance the departmental ability to implement human resource practices.

2.4.2 Recruitment and Selection Practices

On the list of human resource management best practices, authors view recruitment and selection as the foundation of Strategic human resource management . Rothwell (1991) defines recruitment as the identification of required competences as indicated by the strategic direction of the firm, attracting and retaining these competences. Roos and Pike (2001) argue that since human resource management practices influence the development of human capital, recruitment and reliable selection procedures do influence the quality and

type of skills new employees possess. A rigorous, valid and sophisticated selection system helps in identifying a right candidate with potential to perform. A rigorous selection system generates a sense of elitism, creates high expectations of performance, and signals a message of importance of the people to the organization (Pfeffer, 1994). The mismatch between the person and the job can hamper performance levels, whereas a sophisticated selection system can ensure a better fit between the person's abilities and the organization's requirement. Also, selection has been found to be positively related to firm performance (Terpsra and Rozell, 1993).

From a public sector (State Corporations) perspective the starting point for quality service is quality staff to produce and deliver such services. There are strategic approaches to recruitment which includes changing attraction practices, changing inducements offered to applicants and targeting non traditional sources of applicants. Strategic approaches to recruitment helps a firm engage in Strategic human resource management planning to forecast its future human resource needs and competencies to develop innovative recruiting tactics to find and attract the talent needed.(Gray and Shasky, 2007).

2.4.3 Performance Management Practices

Performance appraisal system is a Strategic HRM practice, according to Price (2007). It's a method by which an enterprise can evaluate its employee's feedback and the organization's view to them. It's is a motivation concept in human resources, in which employees receive increased compensation for their work if their team, department or company reaches certain targets. Most of the organizations are performance based: Performance is reviewed from the corporate perspective to an individual contribution. Formal appraisal in organizations is undertaken annually or semi annually. Performance objectives are normally set and cascaded from the corporate objectives. Performance management and reward systems are also cited as practices that are adopted in Strategic human resource management .

Performance is the ultimate goal for any institution whether profit making or not for profit (Kotler, 1991). It is clear that administering successful pay-for-performance programmes

depends on performance appraisal practices. Thus, performance-related pay is an approach of rewarding employees for higher performance (Daley, 2002). In order for performance-related schemes to work they should be based on clear, measurable targets agreed by both employer and employee (Perry and Wise, 1990; Naff and Crum, 1999). There are a number of reasons why employer might introduce this type of pay scheme. They may be dedicated to keep current staff, want to compete for new talent, and be seeking a fairer way of distributing wages (Martocchio, 2009). Although pay-for-performance has been considered to foster the development of a job performance (Eisenberger et al., 1999; Gavin, 2005), to date little effort has been made to demonstrate the linkage between pay- for-performance and affective organizational commitment. The expectations of reward for high-performance was positively related to employees' perception of autonomy, which in turn, was positively related to employees' belief that the organization values their contributions and their well-being. It is clear that employees appear to view the opportunity to obtain reward for greater performance as indicating increased freedom of action.

2.4.4 Training and Development Practices

Organizations can develop and enhance the quality of the current employees by providing comprehensive training and development. Indeed, research indicates that investments in training employees in problem-solving, teamwork and interpersonal relations result in beneficial firm level outcomes (Barak et al., 1999). One of the critical objectives of performance appraisal is to provide feedback to foster employee growth and development (Stroul 1987). Squires and Adler (1998) suggest that an appraisal system must not only evaluate what has been accomplished but also guide future development leverage, existing strength, and address skill deficiencies. This therefore means, that a working appraisal system is the first stage in training and development of new employees. The performance gaps identified in the process help managers generate training needs for departments and at the process the human resource management HR department is able to collate the training needs of the organization. A well-functioning career planning system may also encourage employees to take more responsibility for their own development, including the development of the skills viewed as critical in the company. A well-planned career

development system along with internal advancement opportunities based on merit, results in high motivation among employees, which has an impact on firm performance Milkovich and Boudreau (1998).

High performance organizations develop an extensive array of employee training and management development programs, configured in a strategic plan, to strengthen the competencies of its human resources. Moreover, they measure the results and make adjustments as necessary to insure results. Mayer, (2008). Ehrlich (1994) while commenting on training argues that, the speed with which workers learn to perform new tasks is very important in today's environment of rapid technological change. He is supported by Boudreau and Ramstad (1997) who are of the view that every manager must make proper arrangements to ensure that employees not only possess the skills to accomplish their present jobs but also develop broader skills to meet future challenges. Investment in employees is therefore expected to produce returns via increased employee productivity and performance Rumberger,(1987).

2.4.5 Compensation Practices

Milkovich and Newman (1999) defined compensation as all forms of financial returns and tangible benefits that an employee receives as part of an employment contract. A more specific definition is provided by Flippo (1984), who has defined compensation as the adequate and equitable remuneration of personnel for their contribution to the organization's objectives. He has identified three components as basic wage or salary for attracting qualified candidates, variable compensation to motivate job performance and supplementary fringe benefits to retain talented staff. According to Armstrong (2000), taking a strategic approach to human resource management practices in regard to compensation may mean making strong changes in how employees are compensated. Compensation links all pay and benefits to attracting and motivating employees (Mello, 2002; Daley, 2002).

Organizations taking a strategic approach to compensation realize the need for inspiration to meet strategic objectives. In addition, inside an organization, different compensation

programs may be needed for different separation, departments or group of employees. In fact, compensation should focus on internal and external pay differential among jobs (Martocchio, 2009). Strategic compensation refers to the provision of intrinsic and extrinsic compensation that are perceived by employees as fair (Mahmoodi, 2006). According to Armstrong and Murlis (1994) implementing strategic compensation practices help the organization to achieve its objectives by increasing commitment and motivation. Some scholars have suggested that compensation should be designed to achieve affective commitment as a strategic human resource management practices (Ritzier and Trice, 1969; Martocchio, 2009). Beauvais et al. (1991) found a positive and significant relationship between pay equity and organizational commitment. Lane (1993) examined the relationship between benefit satisfaction, organizational commitment, and turnover intention. He found that benefit satisfaction was positively related to organizational commitment and negatively associated with turnover intention.

2.4.6 Employee Relations Practices

There appears to be almost universal agreement that as a result of changes in the economic and social environments in which organizations operate, the nature of the employment relationship is undergoing fundamental changes that have important implications for organization's human resource policies and practices (Hendry & Jenkins, 1997; Shalk & Freese, 1997; Sparrow, 1996; Laabs, 1996; Pickard, 1995; Thornburg, 1997; O'Reilly, 1994; and Stewart, 1998). There is, however, far less agreement regarding the nature of the changes. Organizations continue to struggle with the question of what is the new deal with their employees (Littlefield, 1997). Employee Relations is a system of rules as propounded by Dunlop (1958), states that industrial relations can be regarded as a system or web of rules regulating employment and the ways in which people behave at work. According to this theory, the role of the system is to produce regulations and procedural rules that govern how much is distributed in the bargaining process and how the parties involved, or the actors in the employee relations scene, relate to one another.

Employee relations are concerned with generally managing the employment relationship with particular reference to terms and conditions of employment, issues arising from employment, providing employees with a voice and communicating with the employees. Farnham (2000) . Employees are dealt with directly or through collective agreements where trade unions are recognized. Employee relations cover a wider spectrum of the employment relationship than industrial relations, which are essentially about what goes on between management and trade union representatives and officials (Fox, 1966). This wider definition recognizes the move away from collectivism towards individualism in the ways in which employees relate to their employers. Purcell (1987). It is argued that sound employee relations create a perception of organization fairness.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study was conducted using a cross-sectional survey. In this type of study either the entire population or a sub-set is selected and from these individuals data is collected to answer questions of interest. In this case the population of the study was be all the seven State Corporations in the Ministry of Transport in Kenya. This method was chosen in order to make reference to phenomena as they exist in real life and it is relatively economical in terms of time and resources.

3.2 Population of the Study

The population of the study was all the seven State Corporations in the Ministry of Transport in Kenya for the year 2012. Performance Contract for the Ministry of Transport (Financial Year 2008/2009). A census approach was adopted since the population size was small.

3.3 Data Collection Methods

Data was collected through a semi-structured questionnaire. The questionnaire comprised of two parts. Part "A" comprised of items seeking demographic data. Part "B" consisted of questions seeking to collect information about the strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya. The respondents were heads of human resources in each of the seven State Corporations in the Ministry of Transport in Kenya. The questionnaires were administered through "drop and pick later" method.

3.4 Data Analysis and Presentation

The study involved the use of quantitative data and therefore statistical analysis and measures of central tendency (Mean, mode, median and variance) were calculated from the variables mentioned. The results have been presented using tables, graphs and charts for ease of understanding.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The objective of this study was to establish the strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya, the researcher mailed seven (7) questionnaires to the seven (7) to the State Corporations in the Ministry . Out of the Seven (7) questionnaires send six (6) were returned. This is 86% response which is adequate for the study.

4.2 Demographics of the Respondents

This section presents the demographic findings of the study. The respondents were asked to indicate their gender, age, position, level of education, years of service with the current employer and duration in the current position. The findings are discussed below.

4.2.1 Gender of the Respondents

The research sought to know the gender of the respondents. The results as shown in figure 4.1 below indicate that 67% of the respondents were male and 33% were female.

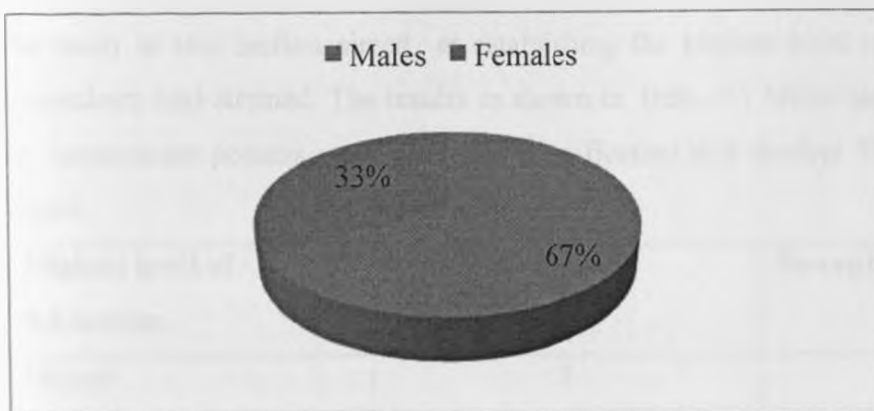


Figure 4.1: Distribution of respondents by gender

This shows that there is a gender disparity among the respondents but meets the requirement of one-third rule on gender representation in Kenya.

4.2.2 Age Bracket

The research sought to know the age bracket of the respondents. The results as shown in Figure 4.2 below indicate that 33% of the respondents were within the age bracket of between 25-35, 17% were aged between 35-45 years, 33% were aged between 46-55 years while 17% were above 56 years.

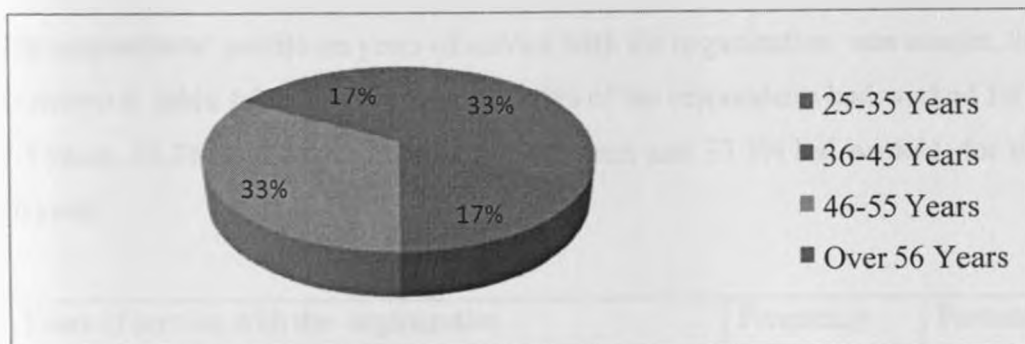


Figure 4.2: Distribution of respondents by age

These results show that most of the respondents were aged above 36 years and can be considered to be of senior age having risen through the ranks.

4.2.3 Highest Level of Education

The study in this section aimed at establishing the highest level of education that the respondents had attained. The results as shown in table 4.1 below indicate that 50% of the respondents possess post graduate qualification and another 50% possess the first degree.

Highest level of Education	Frequency	Percentage(%)
Degree	3	50
Post graduate	3	50
Total	6	100

Table 4.1: Highest Level of Education

This shows that all respondents had a first degree and above. This was expected given that the respondents were human resource directors or equivalent hence competent enough to give concrete information relevant to establishing the strategic human resource practices adopted by the State Corporations in the Ministry of Transport in Kenya.

4.2.3 Years of Service

The respondents' profile on years of service with the organization was sought, the results as shown in table 4.2 below show that 33.3% of the respondents had worked for between 2-5 years, 33.3% had worked between 6 -10 years and 33.3% had worked for more than 10 years.

Years of service with the organization	Frequency	Percentage (%)
Less than 2years	0	0
2-5 years	2	33.3
6- 10 years	2	33.3
Over 10 years	2	33.3
Total	6	100

Table4.2: Distribution of respondents by years of service with the organization

With 66.6% of the respondents having worked with their organizations for more than six years, it means that they have been in the organizations long enough to understand the strategic human resource practices adopted by the State Corporations in the Ministry of Transport in Kenya.

4.2.4 Length of Service in the Current Position

The respondents were required to indicate their length of service in the current position of the Human Resource Director or equivalent. The results as shown in table 4.3 below indicate that 50 % had served for below 5years in the position, 33% of the respondents have served between 5-10 years and 17% have served in the position for over 10 years.

Length of service in the current position	Frequency	Percentage (%)
Below 5years	3	50.0
5-10 years	2	33.3
Over 10 years	1	16.7
Total	6	100

Table 4.3: Distribution of respondents by Length of service in the current position

These results show that respondents (50%) have served in this position for more than 5years it means that they have been in the organizations long enough to understand and appreciate the strategic human resource practices adopted by the State Corporations in the Ministry of Transport in Kenya.

4.3 Bio Data of the State Corporations

This section presents the findings of the bio data of the State Corporations in the Ministry of Transport in Kenya. The study sought to find out the number of years each organization has been operating and the total number of permanent employees. The findings are discussed below.

4.3.1 Number of Years the State Corporation has been in Operation

The research sought to know the number of years the corporation has been in operation. The results as shown in table 4.4 below indicate that two out of the six state corporations have been in operation for less than ten years, another two have operated between 11-20 years. The results show that one state corporation has operated between 21-30 years and another one out of six has been in operation between 31-40 years.

No. of Years the Corporation has been in operation	Frequency	Percentage
31-40 yrs	1	17%
21-30 yrs	1	17%
11- 20 yrs	2	33%
Less than 10 years	2	33 %
Total	6	100 %

Table 4.4 : Number of Years the Corporation has been in operation

The results indicate that four out of the six state corporations have been operating for eleven years and above and therefore the feedback obtained is quite reliable.

4.3.2 Number of Permanent Employees

The research sought to know the number of permanent employees in the organizations. The results as shown in table 4.5 below that two (2) state corporations had less than 100 employees, another two (2) had between 101- 1000 permanent employees, one (1) had 1001- 2500 employees and another one (1) had over 5001 permanent employees.

No. of Permanent Employees	Frequency	Percentage
Less than 100	2	33%
101-1000	2	33%
1001-2500	1	17%
2501- 5000	-	
5001 and above	1	17 %
Total	6	100%

Table 4.5 : Number of Permanent Employees

These results show that four out of the six state corporations have over 100 employees and are therefore large in size.

4.4 Strategic Human Resource Management Practices

Respondents' views were sought on the strategic human resource management practices adopted by State Corporations in the Ministry of Transport in Kenya. Using a five (5) point likert scale, where 1 represents "Strongly Disagree" while 5 represents "Strongly Agree". In this analysis an agreement indicate a positive opinion which implies adoption of strategic human resource management practices and a disagreement indicate negative opinion of the respondents which implies lack of adoption of strategic human resource management practices in the organization. The opinion of the respondents is considered positive if the mean of those who agree is $\geq 3.5 - 5$. The opinion of the respondents is considered neutral if the mean of those who neither agree nor disagree is 2.5-3.5 and lastly the opinion of the respondents is considered negative if the mean of those who disagree is ≤ 2.5 .

4.4.1 Human Resource Planning Practices

Respondent's views were sought to establish the human resource planning practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as shown in table 4.6 below indicate that the respondents agreed that there is no conflict between the human resource strategy and the overall organizational strategy (M=4.67). The human resource representative sits in the senior policy committees (M=4.83). Jobs are flexibly designed to maximize skills, variety, autonomy and learning (M=4.33). SHRM policies, processes support overall organizational strategy and objectives (M=4.67). SHRM policies, processes, practices have a long term perspective (M=4.67).

Human Resource Planning Practices	Mean	Std. Deviation
There is no conflict between the HR strategy and the overall organizational strategy	4.67	0.516
The HR representative sits in the senior policy committees	4.83	0.408
Jobs are flexibly designed to maximize skills, variety, autonomy and learning	4.33	0.816
SHRM policies, processes, practices support overall organizational strategy and objectives	4.67	0.516
SHRM policies, processes, practices have a long term perspective	4.67	0.516

Table 4.6: Measures of central tendency on Human Resource planning Practices

In conclusion it can be said that the State Corporations in the Ministry of Transport in Kenya have adopted human resource planning practices in that there no conflict between the human resource strategy and the overall organizational strategy. The human resource representative sits in the senior policy committees, jobs are flexibly designed to maximize skills, variety, autonomy and learning. Strategic human resource management practices support overall organizational strategy and have a long term perspective.

4.4.2 Recruitment and Selection Practices

The research sought the respondents views on the recruitment and selection practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as

shown in table 4.7 below indicate that the respondents agreed that a panel of interviewers are used in the selection process (M=5.0); New employees are selected based on the results of the assessment tools (M=5.0); Advertisements for new positions contain clear information on the job analysis (M=4.83); the organization has clear guidelines on the recruitment and selection of staff (M=4.67); Recruitment strategy is in line with the HR Plan (M=4.50); All departments use the same recruitment and selection policy; Vacant positions are advertised internally and externally (M=4.00); Feedback is provided to applicants (M=4.00); Intelligence and personality, aptitude and skill tests are used during the selection process (M=3.83); External recruitment is done for managerial and technical employees (M=3.67). However, the respondents neither agreed nor disagreed on whether hiring of new employees is done mainly at job entry levels (M=3.00). The respondents disagreed that the recruitment process has been outsourced to an agency or consultant (M=1.67).

Recruitment and Selection Practices	Mean	Std Deviation
The organization has clear guidelines on the recruitment and selection of staff	4.67	0.816
Recruitment strategy is in line with the HR Plan	4.50	0.837
Advertisements for new positions contain clear information on the job analysis	4.83	0.408
Hiring of new employees is done mainly at job entry levels	3.00	1.414
Vacant positions are advertised internally and externally(M=4.50).	4.00	1.673
External recruitment is done for managerial and technical employees	3.67	1.751
Reviewing and evaluating alternative sources of applicants inside and outside the organization is practiced	3.00	1.897
A panel of interviewers are used in the selection process	5.00	0.00
New employees are selected based on the results of the assessment tools	5.00	0.00
Intelligence and personality, aptitude and skill tests are used during the selection process	3.83	1.602
Feedback is provided to applicants	4.00	0.894
All departments use the same recruitment and selection policy	4.17	1.602

Table 4.7 Measures of central tendency on Recruitment and Selection Practices

In conclusion it can be said that not all recruitment and selection practices have been adopted by State Corporations in the Ministry of Transport in Kenya. The respondents agree that the organizations have clear guidelines on the recruitment and selection of staff, recruitment strategy is in line with the human resource plan. They also agree that advertisements for new positions contain clear information on the job analysis, a panel of interviewers are used in the selection process, new employees are selected based on the results of the assessment tools, feedback is provided to applicants and all departments use the same recruitment and selection policy. However, the respondents neither agreed nor disagreed on whether hiring of new employees is done mainly at job entry levels .

4.4. 3 Performance Management Practices

The research sought the respondents views on performance management practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as shown in table 4.8 below indicate that performance appraisal is open and participative (M=4.67); Performance targets are aligned to the corporate strategic plan (M=4.50); Performance is measured by quantifiable output (M=4.33); Performance review meetings are conducted in a friendly and helpful way (M=4.00); There is regular communication about the progress in achieving the organizational objectives (M=4.00); Performance feedback is more for development purposes (M=3.83); and performance related pay is encouraged (M=3.67).

Performance Management Practices	Mean	Std Deviation
Performance appraisal is open and participative	4.67	0.816
Performance is measured by quantifiable output	4.33	0.816
Performance feedback is more for development purposes	3.83	1.602
Performance review meetings are conducted in a friendly and helpful way	4.00	0.894
There is regular communication about the progress in achieving the organizational objectives	4.00	1.265
Performance related pay is encouraged	3.67	1.633
Performance targets are aligned to the corporate strategic plan	4.50	0.837

Table 4.8: Measures of central tendency on Performance Management Practices

In conclusion it can be said that the State Corporations in the Ministry of Transport in Kenya have adopted performance management practices in that performance appraisal is open, participative and is measured by quantifiable output. Performance review meetings are conducted in a friendly and helpful way. Performance related pay is encouraged and targets are aligned to the corporate strategic plan.

4.4. 4 Training and Career Development Practices

The research sought the respondents views on training and career development practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as shown in table 4.9 below indicate that the vision and mission statements are communicated to staff during induction (M=4.67); Growth and career development is emphasized (M=4.50); Staff at all levels are encouraged to multi-skill (M=4.33); Extensive formal training is provided to all categories and levels of employment (M=4.17); Great amount of socialization and induction of new employees is practiced (M=4.17); Management development is linked to both individual and organizational needs (M=4.17); SHRM policies and practices help employees to develop and exploit their potential (M=4.17).

Training and Career Development Practices	Mean	Std Deviation
Growth and career development is emphasized	4.50	0.837
Extensive formal training is provided to all categories and levels of employment	4.17	1.602
Great amount of socialization and induction of new employees is practiced	4.17	0.753
The vision and mission statements are communicated to staff during induction	4.67	0.516
Employees at all levels are encouraged to multi-skill	4.33	0.516
Management development is linked to both individual and organizational needs	4.17	0.753
SHRM policies and practices help employees to develop and exploit their potential	4.17	0.753

Table 4.9: Measures of central tendency on Training and Career Development Practices

In conclusion it can be said that the State Corporations in the Ministry of Transport in Kenya have adopted training and career development practices in that the respondents agree that growth and career development is emphasized, extensive formal training is provided to all categories and levels of employment. They also agree that employees at all levels are encouraged to multi-skill, great amount of socialization and induction of new employees is practised and strategic human resource management policies help employees to develop and exploit their potential.

4.4.5 Employee Relations Practices

Respondent's views were sought in establishing the employee relations practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as shown in table 4.10 below indicate that every employee being formally disciplined has an opportunity to state his or her case (M=4.67); Every employee who feels a sense of injustice as a result of a disciplinary action has the right to appeal without fear of discrimination (M=4.50); Management practices open door policy(M=4.33); There is good relation between employee and management (M=4.33); Employees are treated with respect and fairness at all times (M=4.17); Employees have access to grievance systems (M=4.17); The working environment is warm, supportive and pleasant (M=4.17); Management practices are fair and just (M=4.00); Leadership style is people oriented (M=3.67); And employees participate more in decision making.

Employee Relations Practices	Mean	Std Deviation
Leadership style is people oriented	3.67	1.506
Management practices are fair and just	4.00	1.265
Management practices open door policy	4.33	0.816
Employees are treated with respect and fairness at all times	4.17	0.983
Every employee being formally disciplined has an opportunity to state his or her case	4.67	0.816
Every employee who feels a sense of injustice as a result of a disciplinary action has the right to appeal without fear of discrimination	4.50	0.837
Employees have access to grievance systems	4.17	0.753
Employees participate more in decision making	3.67	0.816
There is good relation between employee and management	4.33	0.816
The working environment is warm, supportive and pleasant	4.17	0.753

Table 4.10: Measures of central tendency on Employee Relations Practices

In conclusion it can be said that the State Corporations in the Ministry of Transport in Kenya have adopted employee relations practices in that the respondents agree that management practices open door policy and leadership style is people oriented. Management practices are fair and just, employees have access to grievance systems and when being formally disciplined they have an opportunity to state their case. There is good relation between employee and management, the working environment is warm, supportive and pleasant. The respondents do agree that every employee who feels a sense of injustice as a result of a disciplinary action has the right to appeal without fear of discrimination.

4.4.6 Compensation Practices

The research sought the respondents views on compensation practices adopted by State Corporations in the Ministry of Transport in Kenya. The results as shown in table 4.11 below indicate that the respondents agreed rewards are tied to competencies (M=4.17); The benefits package compares well with those in other organizations (M=4.17); Fair pay practices based on ability, skill and seniority (M=4.00); Employees understand the pay policies of the organization (M=4.00); There is a structured and competitive salary and compensation plan in the organization (M=3.67). However, the respondents neither agreed nor disagreed on whether there is limited use of non-cash incentives such as profit-sharing, paid holiday and insurance schemes in the organizations (M=3.17).

Compensation Practices	Mean	Std Deviation
Fair pay practices based on ability, skill and seniority	4.00	0.632
Rewards are tied to competencies	4.17	0.753
There is limited use of non-cash incentives such as profit-sharing, paid holiday and insurance schemes	3.17	1.169
The benefits package compares well with those in other organizations	4.17	1.602
Employees understand the pay policies of the organization	4.00	0.632
There is a structured and competitive salary and compensation plan in the organization	3.67	1.211

Table 4.11: Measures of central tendency on Compensation Practices

In conclusion it can be said that not all compensation practices have been adopted by State Corporations in the Ministry of Transport in Kenya in that the respondents agree that fair pay practices based on ability, skill and seniority, rewards are tied to competencies, benefits package compares well with those of other organizations and employees understand the pay policies of the organizations. The respondents also agree that there is a structured and competitive salary and compensation plan in the organizations. However, the respondents neither agree nor disagree on the practice of the use of non-cash incentives such as profit-sharing, paid holiday and insurance schemes.

4.5 Discussion

The analysis of the results reveal that strategic human resource management practices have been adopted by State Corporations in the Ministry of Transport in Kenya. The fundamental aim of strategic human resource management practices is to generate organizational capability by ensuring that the organization has the skilled, engaged, committed and well motivated employees it needs to achieve sustained competitive advantage. The strategic goal is to create firms which are more intelligent than their competitors (Boxall,1996). This study asserts that strategic human resource management practices such as human resource planning and training and career development practices if adopted can deliver the desired organizational performance. Further, the study shows that strategic human resource management practices can when applied in combination, augment and complement each other to produce better results. Lessons from this study could serve as a model that can be adopted across the public service within Kenya and with specific modification and local adaptation, to other parts of the civil service in Africa and the rest of the world.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of findings

The results clearly indicate that strategic human resource management practices have been adopted by State Corporations in the Ministry of Transport in Kenya. Human resource planning practices have been adopted in that the respondents agreed that there no conflict between the human resource strategy and the overall organizational strategy. The human resource representative sits in the senior policy committees, jobs are flexibly designed to maximize skills, variety, autonomy and learning. Strategic human resource management practices support overall organizational strategy and have a long term. As far as performance management practices are concerned it can be said that the State Corporations in the Ministry of Transport in Kenya have adopted performance management practices in that performance appraisal is open, participative and is measured by quantifiable output. Performance review meetings are conducted in a friendly and helpful way. Performance related pay is encouraged and targets are aligned to the corporate strategic plan.

As far as recruitment and selection practices are concerned it can be said that not all the practices have been adopted by State Corporations in the Ministry of Transport in Kenya. The respondents agree that the organizations have clear guidelines on the recruitment and selection of staff, recruitment strategy is in line with the human resource plan. They also agree that advertisements for new positions contain clear information on the job analysis, a panel of interviewers are used in the selection process, new employees are selected based on the results of the assessment tools, feedback is provided to applicants and all departments use the same recruitment and selection policy. However, the respondents neither agreed nor disagreed on whether hiring of new employees is done mainly at job entry levels.

State Corporations in the Ministry of Transport in Kenya have adopted training and career development practices in that the respondents agree that growth and career development is emphasized, extensive formal training is provided to all categories and levels of employment. They also agree that employees at all levels are encouraged to multi-skill, great amount of socialization and induction of new employees is practised and strategic human resource management policies help employees to develop and exploit their potential. Employee relations practices in the State Corporations in the Ministry of Transport in Kenya have been adopted too in that the respondents agree that management practices open door policy and leadership style is people oriented. The practices are fair and just, employees have access to grievance systems and when being formally disciplined they have an opportunity to state their case. There is good relation between employee and management, the working environment is warm, supportive and pleasant. The respondents do agree that every employee who feels a sense of injustice as a result of a disciplinary action has the right to appeal without fear of discrimination.

It can be said that not all compensation practices have been adopted by State Corporations in the Ministry of Transport in Kenya in that the respondents agree that fair pay practices based on ability, skill and seniority, rewards are tied to competencies, benefits package compares well with those of other organizations and employees understand the pay policies of the organizations. The respondents also agree that there is a structured and competitive salary and compensation plan in the organizations. However, the respondents neither agree nor disagree on the practice of the use of non-cash incentives such as profit-sharing, paid holiday and insurance schemes.

5.2 Conclusion

From the analysis and summary of the results, the study concluded that strategic human resource management practices have been adopted by the State Corporations in the Ministry of Transport in Kenya. The practices that the sector has adopted have contributed a lot to performance of the organizations in the sector. The study concluded that strategic human resource management practices are mutually enhancing and

synergistic when applied simultaneously. They seem to work best when implemented holistically as opposed to unitary applications.

5.3 Recommendations

Based on the summary of the study and conclusions, the study made the following recommendations, which if carefully considered and implemented, would help achieve positive changes in strategic human resource management practices with desirable success rates not only in the Ministry of Transport in Kenya but also in other public service jurisdictions. Strategic human resource management as a process of managing human resource systems and organizational structure should be implemented in a way that is congruent with the organization's strategy. For organizations to be able to adapt to the ever changing environment and be able to remain relevant in terms of performance, they should view their people as the most valued assets so that they can contribute their creativity, energy and foresight in return for being nurtured and developed. For this to happen organizations need to adopt strategic human resource management.

5.4 Limitations of the Study

The study faced a number of limitations. The most significant one was related to data collection. The respondents openly expressed lack of interest in filling the questionnaire. Some respondents had to be reminded over and over again by the researcher in order to respond. It therefore took the researcher more time than the planned duration for the task. Another major limitation was the geographical distribution of the state corporations in the study. Some were quite far away from the researcher yet the respondents were not willing to mail the filled questionnaires. A census approach was adopted since the population was small but the study did not achieve the anticipated response due to some respondents unwillingness to participate in the study. While the findings show some level of adoption of strategic human resource management practices, this is a management point of view since the respondents were human resource directors or equivalent. A similar questionnaire targeted at all levels of staff might give different findings.

5.5 Areas for further research

These findings therefore offer an opportunity for further research to determine whether there is a possible relationship between factors such as state corporation size and adoption of various strategic human resource management practices. The findings also make a good case for further research, especially in the relationship between the adoption of strategic human resource management practices with the organization`s performance. A positive correlation from this research will encourage more organizations to invest in strategic human resource management practices that contribute to a high standard of service in the public sector. Another area of research could be the role of human resource managers in the adoption of strategic human resource management practices. This study was limited to State Corporations within the Ministry of Transport in Kenya, further study is recommended to direct the research to the mainstream civil service to determine the specific strategic human resource management practices adopted.

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UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAMME

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

P O. Box 30197
Nairobi, Kenya

DATE..... 23/07/2012

TO WHOM IT MAY CONCERN

The bearer of this letter..... ROSE NEKESA WASIKE

Registration No..... D61/9194/2005

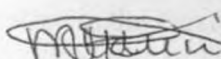
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. 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.




IMMACULATE OMANO
MBA ADMINISTRATOR
MBA OFFICE, AMBANK HOUSE

APPENDIX 2: Questionnaire

RESEARCH QUESTIONNAIRE - HR DIRECTOR/MANAGER

This questionnaire is designed to obtain information purely for academic research purposes from HR Directors or the equivalent in the State Corporations in the Ministry of Transport in Kenya. The accuracy of the responses you provide will be crucial to the success of the research project. You are kindly requested to respond to each of the questions based on the scale provided below.

The questionnaire has two parts (A and B). Instructions are given for each part.

PART A: BIOGRAPHIC DATA

Please tick in the circle that best describes your status:

1A Bio Data of the Respondents

- 1) Name (optional):
- 2) Gender: Male Female
- 3) Age: 25-35 36-45 46-55 56 and above
- 4) Position/ Designation:
- 5) Highest academic qualification: Diploma Degree Post graduate
Any other, please specify.....
- 6) Please indicate your terms of employment: Permanent Contractual
- 7) Years of continuous service with the organization:
Less than 2 years 2-5 years 6- 10 years Over 10 years
- 8) Duration in the current position: Below 5 years 5 to 10 years Over 10 years

1B Bio data of the Organization

9) Name of your Corporation.....

10) The number of years your Corporation has been in operation.

Less than 10 11-20 21-30 31-40 41 and above

11) The total number of permanent employees

Less than 100 101-1000 1001-2500 2501-5000 5001 and above

12) The percentage of non-permanent (Contractual and Temporary)employees.

Less than 5% 5-10% 11-20% 21-30% 31% and above

PART B: STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES

State Corporations in the Ministry of Transport have embraced various Strategic Human Resource Management (SHRM) practices. To what extent do you consider each of the following to characterize the SHRM practices used in your organization. Indicate your response for each item on a scale of 1-5 where: 1= Strongly disagree, 2= Disagree, 3= Neither Agree nor Disagree, 4= Agree, 5= Strongly Agree. Please tick in the circle that best describes your status:

2A Human Resource Planning Practices	Strongly Disagree Strongly Agree →
The HR Department is involved in formulating the goals & objectives of the strategic plan	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
1) There is no conflict between the HR strategy and the overall organizational strategy	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
2) The HR representative sits in the senior policy committees	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
3) Jobs are flexibly designed to maximize skills, variety, autonomy and learning	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
4) SHRM policies, processes, practices support overall organizational strategy and objectives	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
5) SHRM policies, processes, practices have a long term perspective	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
<i>Additional comments/suggestions</i>	
2B Recruitment and Selection Practices	Strongly Disagree Strongly Agree →
6) The organization has clear guidelines on the recruitment and selection of staff	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
7) Recruitment strategy is in line with the HR plan	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
8) Advertisements for new positions contain clear information on the job analysis	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
9) The recruitment process has been outsourced to an agency or consultant	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
10) Hiring of new employees is done mainly at job entry levels	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5

11) Vacant positions are advertised internally and externally	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
12) External recruitment is done for managerial and technical employees	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
13) Reviewing and evaluating alternative sources of applicants inside and outside the organization is practiced	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
14) A panel of interviewers are used in the selection process	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
15) New employees are selected based on the results of the assessment tools	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
16) Intelligence & personality , aptitude and skills tests are used during the selection process	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
17) Feedback is provided to applicants	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
18) All departments use the same recruitment and selection policy	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
<i>Additional comments/suggestions</i>					

2C Performance Management Practices	Strongly Disagree Strongly Agree →				
	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
19) Performance appraisal is open and participative	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
20) Performance is measured by quantifiable output	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
21) Performance feedback is more for development purposes	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
22) Performance review meetings are conducted in a friendly and helpful way	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
23) There is regular communication about the progress in achieving the organizational objectives	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
24) Performance related pay is encouraged	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5
25) Performance targets are aligned to the corporate strategic plan	<input type="radio"/> 1	<input type="radio"/> 2	<input type="radio"/> 3	<input type="radio"/> 4	<input type="radio"/> 5

<i>Additional comments/suggestions</i>	
2D Training and Career Development Practices	<p>Strongly Disagree Strongly Agree</p> <p style="text-align: center;">—————→</p>
26) Growth and career development is emphasized and supported	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
27) Extensive formal training is provided to all categories and levels of employment	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
28) Great amount of socialization and induction of new employees is practiced	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
29) The mission vision and mission statement is communicated to all staff during induction	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
30) Staff at all levels are encouraged to multi-skill	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
31) Staff are empowered to make certain decisions without reference to supervisors	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
32) Management development is linked to both individual and organizational needs.	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
33) SHRM policies and practices help employees to develop and exploit their potential maximally.	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
<i>Any other comments/suggestions</i>	

2E Employee Relations Practices	Strongly Disagree Strongly Agree —————→
34) Leadership style is people oriented	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
35) Management practices are fair and just	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
36) Management practices open door policy	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
37) Employees are treated with respect and fairness at all times	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
38) Every employee being formally disciplined has an opportunity to state his/her case	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
39) Every employee who feels a sense of injustice as a result of a disciplinary action has the right to appeal without fear of discrimination	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
40) Employees have access to grievance systems	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
41) Employees participate more in decision making	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
42) There is a good relation between employee and management	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
43) The working environment is warm, supportive and pleasant	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
44) SHRM policies and practices treat all employees fairly and equitably	<input type="radio"/> 1 <input type="radio"/> 2 <input type="radio"/> 3 <input type="radio"/> 4 <input type="radio"/> 5
<i>Any other comments/suggestions</i>	

2F Compensation Practices	Strongly Disagree				Strongly Agree
	—————→				
45) Fair pay practices based on ability, skill and seniority	(1)	(2)	(3)	(4)	(5)
46) Rewards are tied to competencies	(1)	(2)	(3)	(4)	(5)
47) There is limited use of non-cash incentives such as profit-sharing, paid holiday, insurance schemes	(1)	(2)	(3)	(4)	(5)
48) The benefits packages compares well with those in other organizations	(1)	(2)	(3)	(4)	(5)
49) Employees understand the pay policies of the organization	(1)	(2)	(3)	(4)	(5)
50) There is a structured and competitive salary & compensation plan in the organization	(1)	(2)	(3)	(4)	(5)
<i>Any other comments/suggestions</i>					

-End-

Thank you for your time and cooperation.

**APPENDIX 3: STATE CORPORATIONS IN THE MINISTRY OF
TRANSPORT IN KENYA**

NO.	STATE CORPORATION
1.	Kenya Civil Aviation (KCAA)
2.	Kenya Maritime Authority (KMA)
3.	Kenya Airports Authority (KAA)
4.	Kenya Ports Authority
5.	Kenya Railways Corporation
6.	Kenya Ferry Services
7.	Kenya National Shipping Line

Source: Government of Kenya. (2008) *Performance Contract between the Government of Kenya and the Ministry of Transport Financial Year 2008-2009*. Nairobi: Government Printer.