

**CHALLENGES OF IMPLEMENTING STRATEGIC HUMAN  
RESOURCE MANAGEMENT AT THE KENYA SUGAR BOARD**

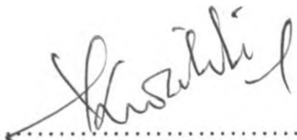

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## DECLARATION

I declare that this research project is my original work and has not been submitted for a degree in any other university.

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This Research project has been presented for examination with my approval as the University Supervisor.

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## **DEDICATION**

This research projects is dedicated to my children, Tamasha, Calvin, Sheela and Rose and my sister Judith Mwatete who sacrificed a lot of time and other resources to enable me complete the project. God will bless you.

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## ABSTRACT

This research project aimed at investigating the challenges of implementing strategic human resource management at the Kenya Sugar Board. The researcher looked at various aspects of strategic human resource management including the concept of strategic human resource management and its relationship to strategic management and how human resource strategies are linked to the overall organizational strategy through the practice of strategic human resource management.. The study was based on case study research design. The challenges of implementing strategic Human Resource Management may vary considerably from one organization to another, therefore, case study was the most appropriate design for the study since the findings cannot be authoritatively generalized to other organizations.

The data collected through an interview guide and the respondents were the organization's nine heads of department. The respondents were restricted to the nine heads of department because they were viewed to be the custodians of strategy formulation and implementation in the organization and were in a better position to respond to questions that touched on any form of organizational strategy. The data was analyzed using content analysis. Each question was analyzed by use of simple majority rule that is the most frequently occurring thought or answer from the respondents was assumed to be prevailing situation in the organization.

The study results showed close relationship to the empirical study carried out at chapter 2. Many of the arguments that were presented at the empirical review were echoed by the respondents as the major challenges that deterred prompt implementation of strategic human resource management in the organization. For instance, majority of the respondents were in agreement that the lack of a cohesive culture in the organization was a major challenge to the development and implementation of organizational strategies, a fact that had been established at the literature review stage.

All in all, the strategy implementation process normally requires much more energy and time than the formulation process. A creative chaos can be advantageous for the

formulation phase, whereas the implementation stage, which is more administrative, demands discipline, planning and controlling of the entire process.

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background

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 the human resource and its management and how it would impact human resource behavior and performance both at the individual and organizational level (Torrington et al, 2008). Modern Business Corporations operate in an environment of global recession, increasing competition, scarcity of resources and an abundance of highly educated labour force. 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).

Torrington et al (2008) identify three theoretical approaches to strategic human resource management. The Universalist approach is founded on the premise that there is one best way of managing human resource so as to improve business performance. The Fit or Contingency approach focuses on the need to align employment policies and practice with the requirements of business strategy to ensure business success. The concept is based on the assumption that different types of human resource strategies will be suitable for different types of business strategies. Finally, the resource based approach and perceived value of human capital which focuses on the quality of human resources that are available in the organization and their ability to learn and adapt quickly to competitors.

The human resource is seen as an asset that needs to be managed conscientiously and in tune with organizational needs. Today's most competitive organizations are working to ensure that now and a decade from now they have employees available who are eager and able to address key competitive challenges. (Jackson et al, 2009). To do this effectively there is need for formulation and establishment of human resource strategies and the tactics used to implement these strategies is known as strategic human resource planning. When done correctly, strategic human resource planning provides direct and indirect benefits to an organization, e.g it encourages proactive rather than reactive behavior, explicit communication of company goals that is it focuses people on organizational strategic objectives, it helps in the identification of human resource constraints and opportunities. All the same it is faced with challenges such as maintaining competitive advantage, which in many cases is short lived, also securing management commitment and translating strategic plans into action, among others (Gomez-Mejia et al, 2010).

### **1.1.1 Strategic Human Resource Management**

The prefix 'strategy' was attached to the term 'human resource management' in the 1980s and the notion of strategic integration became prominent in human resource management literature. Interest among practitioners in linking the strategy concept to human resource management can be explained by the pressure to enhance the status of human resource management professionals within companies (Bratton and Gold, 2001). Human resource strategies arise from the adoption of a strategic approach to people management which is aligned with the business strategy and which is reflected in set human resource policy initiatives specifically designed to achieve the strategic goals of the business (Foot and Hook 2008).

Armstrong (1994) feels that strategic human resource management is part of the brave new worlds of strategic management and human resource management, thus introducing a link between the strategic management thought and human resource management. Indeed, theorists, according to Torrington et al (2008) consider a strong link with strategy as the key difference between human resource

management and earlier philosophies of people management eg . personnel management. Strategic human resource management is about systematically linking people with the organization; or more specifically, integrating human resource management strategies into corporate strategies. Human resource strategies are essentially plans and programs that address and solve fundamental strategic issues related to the management of human resources in the organization (Schuler, 1992). It is believed that the integration of human resource with the business strategy contributes to effective management of human resource, improvement in organizational performance and finally the success of a business (Schuler and Jackson, 2007).

According to Armstrong (2006), the concept of strategic human resource management is complex and vague and to understand it, one needs to analyze its elements and define its aims. The key elements state that first, internal processes of organizational change are caused or necessitated by processes of external environmental change; secondly, under these new environmental pressures, for example competition, technology, customer demands etc, management must develop new and appropriate strategies to defend or advance corporate interest. Lastly, the strategic response in turn requires organizational responses if the organization is to achieve changes in some or all aspects of human resource structures and systems. Strategic human resource management rests on two fundamental assumptions: one that an organization's human resources are of critical strategic importance, ie, the skills behavior and interaction of employees have the potential to provide for both the foundation for strategy formulation and implementation. Two, a firm's human resource management practices are key in developing capacity of its Human Resource.

### **1.1.2 The Link Between Corporate Strategy and Human Resource Strategies**

The link between Corporate and human resource strategies is not new. McKinsey's 7-S framework that emphasized the need for alignment of seven organizational variables, namely super-ordinate goals, strategy, structure, systems,

staff, skills and style, for organizational effectiveness is about twenty years old. During this time, there has been an increase in the importance of people to an organization's success especially as organizations become more knowledge and technology driven (Krishnan, 2005).

Corporate strategy is the direction an organization takes with the objective of achieving business success in the long term. It is seen as the way a company creates value through the configuration and coordination of its multi-market activities. This definition has three components: First, it lays emphasis on value creation as the ultimate purpose of any Corporate strategy. Second a focus on the multi-market scope of the firm including its product, geographic and vertical boundaries and third is the emphasis on how the firm can manage the activities of the business that lie within the corporate hierarchy (Furrer, 2007).

Human resource strategies reflect the philosophy of senior management with regard to treatment of human resources and address the various activities related to their management. The underlying premise of this is that the human resource function supports corporate goals by developing and implementing people management practices which engage employees and encourage them to direct their efforts towards the achievement of organizational goals. The most tangible aspect of strategic human resource management is therefore the set of human resource policies and processes in existence in an organization and how they address various aspects of people management such as recruitment, diversity, management development, reward and employment relations. In other words, rather than being able to identify a human resource strategy for an organization, one encounters an organizational recruitment strategy or diversity strategy or reward strategy that is explicitly addressed as a human resource management strategy (Foot and Hook, 2008).

### **1.1.3 Strategic Human Resource Practices**

Strategic human resource management practices are defined as those that are theoretically or empirically related to overall organizational performance and include career opportunities, formal training systems, result oriented appraisals, employment security, participation, job descriptions and profit sharing – also known as best practices. In a study of managerial attitudes about human resource management practices, it was found that training and development is perceived as the most important strategic human resource management practice. It is also a popular practice that each employee has clearly defined duties which are evaluated regularly to determine levels of compensation (Akhtar et al, 2008).

One aspect that differentiates successful firms from less successful ones is the concept of Strategic Human Resource Management. Under strategic human resource management, workers are viewed as a source of the firm's competitive advantage rather than complimentary or limiting factors of the firm's success. Strategic human resource practices in any firm include: employment security and how it managed, selectivity in recruitment to acquire and retain best employees in the workplace, high and competitive wages, incentive pay, employee ownership, information sharing, participation and empowerment, self-managed teams, training and skills development, cross utilization and cross training and promotion from within (Nakayama and Sutcliffe, 2004) .

### **1.1.4 Challenges of Implementing Strategic Human Resource Management**

Although there is evidence to support the value of strategic human resource management, there are gaps between what is proposed and the actual practice, Burke and Cooper (2005.) While these practices are desirable, the question that arises is whether the practice of strategic human resource management really results in better firm performance or not. Studies done by Becker and Gehart (1996), Delaney and Huselid (1996) and Youndt et al (1996) show that strategic human resource management makes positive difference in firm performance, but

not without some challenges. One of the major challenges of strategic human resource management is that there is a gap between what the strategy states will be achieved and what actually happens, i.e a disjoint between human resource management theory and practice, between what human resource function says it is doing and how the practice is perceived by employees and also perception of the role of human resource by Senior Management and the role it actually plays (Armstrong 2008).

There are two major difficulties in adaption of strategic human resource management for human resource practitioners who 'grew up' in the personnel tradition. First, they have little knowledge of the wider business function on the one hand and on the other business strategists have tended to look down upon human resource considerations because of the ambiguity and uncertainty attached to human behavior. Secondly, practitioners have for decades played the role of arbitrators between staff and management, thus have depended to a large extent on the ability to find compromise and reconcile the two sides other than develop clear agenda, thereby underlying the difficulty between the planning mentality advocated for by strategic human resource management and traditional Human Resource Management (Price, 2007). Strategic human resource management implementation does not appear to be widely practiced and in many cases, politics within the organization rather than strategy, determine practices of human resource management. The use of strategic human resource management would imply that policies and procedures consistent to the organization's objectives are implemented, however, it is rare to find that work practice innovations are actually implemented as systems (Armstrong, 2010).

### **1.1.5 Kenya Sugar Board**

Kenya Sugar Board (KSB) is the Regulatory Body of the Sugar Industry in Kenya, established on 1<sup>st</sup> April, 2002 under the Sugar Act 2001 to succeed the defunct Kenya Sugar Authority. It is charged with the mandate of regulating, developing and promoting the Sugar Industry in Kenya (KSB Strategic Plan

2009-2014). Its affairs are run by a Board of Directors consisting of a non-executive chairman, elected from among the cane grower representatives, seven representatives elected by cane growers, three representatives elected by sugar millers, three Permanent Secretaries from the Ministry of Agriculture, Finance and Office of the President and the Chief Executive Officer.

The Board has an establishment of 96 members of staff headed by a board of elected members from the sugar industry and representatives from the government. The Chief Executive Officer is appointed by the Minister through the Board of Directors for a renewable term of three years (KSB Board Charter - 2008). There are nine functional departments in the Board under the various departmental heads who are directly responsible to the Chief Executive Officer. Each department has a departmental manual outlining the policies and procedures applicable to its area of operation. The Human Resource Policies and Procedures Manual of course is a general policy document that covers the entire organization and outlines such policies as Training and Development, Recruitment and Selection, Placement, Remuneration, Medical and Bereavement, Staff Loans, Pension Scheme, Leave, Code of Conduct and Ethics, among others. The Human Resource Policies and Procedures Manual are reviewed from time to time as the need arises (KSB HR Manual - 2009).

## **1.2 Research Problem**

Although there is evidence to support the value of strategic human resource management, there are gaps between what is proposed and the actual practice. Strategic Human Resource Management implementation does not appear to be widely practiced (Burke and Cooper, 2005). Further, they state that in many cases, organizational politics other than strategy determine the practice of human resource management. The use of strategic human resource management would imply that policies and procedures consistent to the organizations objectives are implemented. However, it is rare to find that many practice innovations are actually implemented as systems. Pynes (2008) argues that while research has



demonstrated the importance of strategic human resource management, a number of reasons exist as to why human resource management is still considered a secondary function rather than driver of the organization's future, especially in the public sector. Pynes observes that in most Public Organizations, implementation of strategic human resource management often fails for reasons including cost associated with strategic human resource management particularly because most public institutions are reluctant to spend additional resources on employees, lack of understanding on the part of Management as to what strategic human resource management is all about, even though they may desire greater integration of human resource function with other organizational strategies. Another reason is that human resource professionals lack flexibility to initiate new programs or change organizational structures, especially where change issues may challenge existing rules and regulations as they may appear in the standard operating procedures.

Kenya Sugar Board oversees operations of eleven Sugar Factories, thirteen Outgrower institutions and more than twenty Cooperative Societies (Industry Strategic Plan: 2009 - 2014). Like other Organization, the Board must look at long term relevance of the Corporation to a Sugar Industry which is soon to be privatized. To do so, the corporation needs a closer interface between its people management strategies and its overall strategic objectives. Strategic human Resource Management's emphasis is on effective management of people as a source of competitive advantage. To get to a place of relevance both to the government and the industry as a whole, the Board needs to strengthen 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 strategies that are good enough to attract and retain the kind of people who can be of value to the organization, these include the organization's compensation and reward, training and development, among others. Presently, the Board faces a lot of complaints for lack of proper service delivery from both the industry players and its own internal staff. Customer and workplace satisfaction surveys done by the human resource department always turn out negative reviews, and efforts to

change the way things are done have not been very successful. This gave reason for this study, whose main aim to find the challenges Kenya Sugar Board faces in an attempt to become more strategic in its Management of Human Resources.

Various studies have been done on the concept of Strategic Human Resource Management and at the workplace. In her study on Strategic Human Resource Practices among insurance companies in Kenya, Kiai (2007) observed that strategic human resource management has two major perspectives, namely Management as an integral part of an organization's strategy and two, Human Resource as a strategy in itself. Ituu (2010), while studying Strategic Human Resource Management Training and Development Practice for Cooperative Bank, states that the specific approach and process of people management may vary from organization to organization, but the key concept remains the same, while a study done by Mwangi (2010) on Strategic Human Resource Management Practices Adopted by Mobile phone service providers observed that strategic human resource management is the interface between Human Resource Management and Strategic Management. Mkalama (2010) in her study on Strategic Human Resource Management Practices adopted by Water Service Providers within Athi Water Services Board, feels that strategic human resource management as a component of strategic human resource management, refers to the ability of an organization to function as a resilient, strategic and autonomous entity through the development and acquisition of relevant manpower.

Strategic Human Resource Management as a concept has been studied in different contexts as seen above and its practice defined in various ways in relation to the problems identified in this study. While the studies above relate to the practice of Strategic Human Resource Management, they do not specifically deal with the challenges faced by organizations in the implementation of those strategies, more so in the Public Sector. This study aimed at bridging this gap and set out to identify challenges of implementing strategic human resource management at the Kenya Sugar Board.

### **1.3 Objectives of the Study**

The objective of this study was to identify challenges faced by Kenya Sugar Board in the implementation of Strategic Human Resource Management.

### **1.4 The Value of the Study**

The study was prompted by the need to see public sector organizations, such as the Kenya Sugar Board manage Human Resources in a more strategic manner with a view to bettering operations within the organizations and give stakeholders greater service excellence.

The study will be of benefit to Kenya Sugar Board and other Public Institutions and will enable them assess areas of weaknesses and strengths and also areas of improvement with regard to the practice of Human Resource Management in their organizations.

It will also be of great importance to the government, which is the largest employer in the Country. With the introduction of Performance Contracting in government institutions and in order to the concept to work well, the government will need to embrace new ways of managing its large human resource with a view to motivating them into delivering desired services to the public

To the Academic Fraternity, the study should be able to add knowledge on issues of Strategic Human Resource Management and its importance to organizational performance, and also provide areas for further research.

The General Corporate world will also benefit from this study. Though many may have already implemented aspects of strategic human resource management, they will add knowledge through emerging trends in strategic human resource management.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 The Concept of Strategy

Strategic management as a discipline originated in the 1950s and 60s in the military sphere. Since then it has risen into prominence in the business world with top executives of multinational firms such as Chester Bernard of AT&T (1938) and Alfred Sloan of General Motors (1963) being among the first to draw attention to the need for strategy within the business context. There is good reason to place effective strategy at the apex of any organization as shown research shown that a firm's strategy is what determines its performance. Some firms in tough industries consistently deliver high performance than competitors because of a particular strategy they adopt at global, corporate or functional levels (Heracteous, 2003).

Njoroge (2010) sees strategy as both a road and a vehicle. A road, since a clear route is required to get from the current situation to the desired situation and a vehicle because it provides practical means of getting to the destination. According to Hitt et al (2010) A strategy is an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage. Strategic Management or strategizing as an art were not critical in the era where there were only a few business organizations offering almost similar products, but in today's dynamic market environment where change is constant, the adoption of strategic management theories may well mean survival for an organization (Orcullo, 2007).

While there is much debate on substance, there is agreement that strategy is concerned with the match between a company's capabilities and its external environment. Analysts disagree on how this may be done. Strategy is no longer about planning or 'visioning', it is about using careful analysis to understand and influence a company's position in the market place. The best strategy is geared

towards radical change and creating a new vision of the future in which you are a leader rather than a follower of trends set by others (Hamel, 2000). After World War II, the concept of strategy as related to business became great. Businesses moved from relatively stable environments to dynamic and competitive environments, thus the concept of strategy became key in the management of issues that determine the mission and goals of an organization within the context of internal and external environments (Orculo, 2007).

## **2.2 Strategic Human Resource Management**

Human resource management has, in the recent years, been integrated as a process of Strategic Management through development of a new discipline called strategic human resource management (Wang and Shyu, 2008). Further, they observe that linking human resource management to organizational strategy was accentuated with the rise of the resource-based theory view of the firm. The major factor leading to the growing interest in strategic human resource management is the idea that human resource should be considered a strategic factor, not only for the role it plays in putting managerial strategy into effect, but also for its potential to become a source of sustainable competitive advantage (Ibid, 2008). Strategic human resource management is defined as a human resource system that is tailored to the demands of the business strategy. It is a pattern of planned human resource activities intended to enable an organization achieve its goals (Foot and Hook, 2008). Strategic human resource management is further regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take. It is concerned with long-term people issues and short-term concerns of structure, culture, values, commitment and matching resources to future needs. It encompasses all activities affecting the behavior of individuals in their effort to formulate and implement the strategic needs of the business (Kelliher and Perret, 2001).

Salaman et al (2005) offer an overview of the connection between the resource based view of the firm and the theoretical and practical elements of strategic

human resource management. They argue that one aspect of strategic human resource management is concerned with the ways in which organizational capacity to achieve strategic objectives can be enhanced. The resource based view of the firm places emphasis on the role of organizational and human resource factors in determining organizational performance and supports the contribution of strategic human resource management and human resource professionals who are directly concerned with the management of these factors. Armstrong (2008) states that strategic human resource management is based on three propositions: first that the human resource of an organization play a strategic role in its success and are a major source of competitive advantage; secondly; that human resource strategies should be integrated with the business plans of the organization since the central premise of strategic human resource management theories lies in the belief that successful organizational performance depends on the alignment between business and human resource strategies. Lastly, that individual human resource strategies should be linked to each other to provide mutual support.

Emphasis has been laid on a strategic approach to development and implementation of human resource policies and practices. Organizations' strategies are determined by consideration of both the internal and external environment in light of mission and purpose. Human resource management strategy therefore should represent an integral part of achieving this broader organizational strategy with strategy in various sub-fields or areas of human resource management supporting the overall human resource management strategy. Thus, rather than human resource management policies and practices representing direct reactions to the various external and internal forces, these forces are considered in light of organizational strategy and objectives and then, if appropriate, changes are made to the overall human resource management strategy which may affect various human resource management policies and practices (Kane and Palmer, 1995).

Sheehan (2005) feels that Strategic human resource management integration is yet to be realized. Human resource management integration here is defined as full integration of human resource management with Organizational Strategy. Sheehan states that one of the factors that may have impact on successful human resource management integration is the role of the people working within the human resource area itself who must clearly understand how the human resource function is different from the personnel management approach and be prepared to support changes. The re-definition of the human resource role requires that the human resource Manager adopt more of a business partner role, that is, have clear understanding of how human resource fits with and supports the organization's mission and strategy.

Globalization, information technology, socioeconomic and political factors have caused a rethink of the way in which organizations are managed. Strategic human resource management has been one of the major developments of this rethinking process the reason being that in many organizations, staff costs represent a major proportion of the budget, therefore the cost-effective deployment of personnel must be a key priority in any competitive situation (Baker, 1999). Human Resource functions that play a strategic rather than a tactical or administrative role tend to be distinguished by a focus on the long term, linking business and human resource strategic objectives and forward planning and include the ability to configure human resource over time, rather than in the short-term (Truss, 2003). According to Bratton and Gold (2001) a human resource strategy is concerned with the challenge of matching the philosophy, policies, programs, practices and processes in a way that will stimulate and reinforce the different employee role behaviors appropriate for each competitive strategy.

Strategic human resource management requires a holistic approach, with not only an internal integration between personnel systems e.g recruitment, selection, rewards mechanisms, appraisal performance management etc, but also an integration between those systems and the organization's overall strategy. Such a coherent approach to human resource management policies can also lead, via the

generic human resource management outcomes of strategic integration, commitment, flexibility/adaptability of the workforce and quality, which are all necessary ingredients when developing a competitive edge, to the following benefits to the organization which has adopted strategic human resource management: high job performance; high problem solving, change and innovation; high cost-effectiveness; and low turnover, absence, grievances, attitude and behavior changes amongst the workforce, resulting in highly desirable increases in competitive performance. However, strategic human resource management will not be taken seriously unless it can be demonstrated that, like any other new initiative, it is worth the return on investment (Baker, 1999).

A defining characteristic of strategic human resource management is its concern with vertical integration of human resource strategies with the business strategy and the horizontal integration of individual human resource strategies with one another, bringing in the concept of strategic fit. The notion of strategic fit is fundamental to strategic human resource management and is based on several thoughts, i.e that the primary role of strategic human resource management should be to promote a fit with the demands of the competitive environment; that 'strategic' means that human resource activities should be systematically designed and intentionally linked to an analysis of the business and its context. Finally, that the strategic skills and behavior of employees must fit the strategic needs of the firm in order for the workforce to be a source of competitive advantage (Armstrong, 2011).

The concept of strategic human resource management differentiates successful firms from less successful ones mainly because it focuses attention on the critical role of human resource management. Under strategic human resource management, workers are viewed as a source of the firm's competitive advantage rather than complimentary or limiting factors of the firm's success. Strategic Human Resource Management practices in any firm include: employment



security and how it managed, selectivity in recruitment to acquire and retain best employees in the workplace, high and competitive wages, incentive pay, employee ownership, information sharing, participation and empowerment, self-managed teams, training and skills development, cross utilization and cross training and promotion from within (Nakayama and Sutcliffe, 2004) .

Firms regularly set goals for future performance and development plans. To implement such plans the firm will rely on financial, physical and Human Resources. In addressing issues of Human Resources, the first step is to make two forecasts about employees and these are, demand for labour (what we need) and supply forecast (what is available for each job). The second step is to compare results of the demand and supply forecasts. These activities used to align the number of employees and their performance constitutes Strategic Human Resource Management. Ultimately, employees have to perform work that is necessary to reach the goals of the firm (Gatewood et al, 2008).

Human Resource Management has, in the recent years, been integrated as a process of Strategic Management through development of a new discipline called Strategic Human Resource Management. Linking human resource management to organizational strategy was accentuated with the rise of the resource-based theory view of the firm. The major factor leading to the growing interest in strategic human resource management is the idea that Human Resource should be considered a strategic factor, not only for the role it plays in putting managerial strategy into effect, but also for its potential to become a source of sustainable competitive advantage (Wang and Shyu, 2008).

When Human Resource expands its traditional administrative role, it can have a significant impact on an organization's value creation. To properly align human resource with the organization's strategy human resource needs to play a role in the strategic planning of the organization. The human resource department needs to ensure that the human asset is effectively aligned with the strategy that is chosen by the organization. The first step in aligning human resource strategy

with the organizational strategy is to recognize the human resource department and its duties are a strategic asset instead of a traditional administrative function. The administrative role of human resource needs to evolve into a focus on value creation by recognizing that it needs to play a strategic role and top management must support this role by accepting human resource into strategic planning initiatives (Becker and Huselid, 2001).

The alignment between human resource strategy and the Organizational strategy begins with a strategy-focused human resource professional. The human resource system needs to be created in line with the organization's strategy and human resource department must ensure that employees are strategically focused. Becoming more strategic, though, does not mean that human resource can ignore its administrative duties, rather it means that human resource must expand its role beyond administration towards building a more strategic influence in the organization (Galford 1998). An emphasis on human resource leads to understanding the role human resource plays in strategically building a competitive advantage. There is a link between strategy and human resource in that the greater the congruence between strategy and human resource, the more effective the organization will be. Different strategies require different skills, thus organizations pursuing different strategies will require different skills in personnel and this is where human resource needs to be aligned with strategy (Wright, Smart and McMahan, 1995),

Emphasis has been laid on a strategic approach to development and implementation of Human Resource policies and practices. Organizations' strategies are determined by consideration of both the internal and external environment in light of mission and purpose. Human resource management strategy therefore should represent an integral part of achieving this broader organizational strategy with strategy in various sub-fields or areas of human resource management, supporting the overall human resource management strategy. Thus, rather than human resource management policies and practices representing direct reactions to the various external and internal forces, these

forces are considered in light of organizational strategy and objectives and then, if appropriate, changes are made to the overall human resource management strategy which may affect various human resource management policies and practices (Kane and Palmer, 1995).

Human resource management has been clarified by identifying four characteristic features that distinguish it, namely, integration of personnel policies with business planning, a shift of responsibility from specialists to line managers, individualism in management of employee relations and emphasis on securing employee commitment and initiative. Human resource management is designed to produce strategic integration and high commitment. Strategic human resource management is characterized by four elements, namely, the use of planning, a coherent approach to the design and management of personnel systems, matching human resource management activities and policies to business strategy and seeing people of the organization as strategic resource in achievement of competitive advantage (Kelliher and Perret, 2001).

Sheehan (2005) feels that strategic human resource management integration is yet to be realized. Human resource management integration here is defined as full integration of human resource management with organizational strategy. Sheehan states that one of the factors that may have impact on successful human resource management integration is the role of the people working within the human resource area itself who must clearly understand how the human resource function is different from the personnel management approach and be prepared to support changes. The re-definition of the human resource role requires that the Human Resource Manager adopt more of a business partner role, i.e have clear understanding of how human resource e fits with and supports the organization's mission and strategy.

## 2.3 Challenges of Implementing Strategic Human Resource Management

Although there is evidence to support the value of strategic human resource management, there are gaps between what is proposed and the actual practice. Strategic human resource management implementation does not appear to be widely practiced (Burke and Cooper, 2005). Pynes (2008) observes that in most Public Organizations, implementation of strategic human resource management often fails for various reasons including: cost associated with strategic human resource with most public institutions reluctant to spend additional resources on employees, lack of understanding on the part of Management as to what strategic human resource management is all about, even though they may desire greater integration of human resource function with other organizational strategies and the fact that Human Resource Professionals lack flexibility to initiate new programs or change organizational structures, especially where change issues may challenge existing rules and regulations as they may appear in the standard operating procedures.

There is no doubt that strategic human resource management may have useful practical implications and some businesses may be adopting approaches to strategic human resource management based on research findings. A recurring concern, however, is that many organizations do not implement human resource management and systems that have been proven to have positive effects on employee performance or firm's financial performance for various reasons including the fact that managers are skeptical about metrics on high performance work systems; the extent to which research findings can really be seen to be causal and the competence and sophistication of human resource management Professionals to take advantage of the research findings and use recommended tools to improve organizational performance (Schmitt, 2012). Durai, (2010), states that strategic human resource management requires long term orientation and human resource intervention strategies among top management and human resource managers alike. However, organizations are often content with short term

goals and gains which undermine the practice of strategic human resource management in an organization.

Storey (2008) argues that the major human resource management issues affecting implementation of strategic human resource management in African Organizations include inappropriate use of foreign models, over reliance on particular practices driven by local institutional and legislative regimes, lack of transparency in decision making and concern with procedural and transactional human resource management rather than strategic focus. He found that ethnicity and cultural inclinations foster an Afrocentric managerial culture with aligned human resource management practices. Budhwar and Yaw (2004) in their book on human resource management in Developing Nations emphasized the importance of socio-cultural context in a heterogeneous society like Kenya which has more than forty ethnic groups. They stated that in an era of unprecedented high unemployment and political tension, people rally behind their ethnic roots, the result being that young people joining the labour market from schools and universities have little faith in the ability of the system either in public or private sector to allocate employment opportunities purely on merit, thus defeating the whole purpose of strategic human resource management.

In all organizations, there are challenges and pitfalls that must be recognized and addressed if an organization is to succeed. The case is no different for strategic human resource management. According to Sims (2002), potential challenges for the implementation of strategic human resource management include the fact that Senior Management may not always be able to communicate the overall organization strategy clearly; disagreement may arise as to which human resource management strategies should be used to support the overall organizational strategy and also the fact that large organizations may have different organizational units each with its own Strategic Business Units and human resource strategies. Armstrong (2003) observes that human resource managers must work with top management to shape human resource and corporate strategies, which means that they should be elevated to high levels in the

organizational structure. Top management, however, are often reluctant to involve human resource managers in top decision making levels mainly because they do not understand the importance of human resource as a critical function and source of competitive advantage of the organization.

In her study of Health Services in Australia, Harris (2005) observed that a major barrier to implementation of strategic human resource management in the workplace was the centralized industrial relation systems giving rise to central control of issues of labour utilization e.g. shiftwork and staff rosters. She argued that the centralized industrial relations framework strategic human resource management practice in Australian hospitals. Ibid, (2005) also states that the introduction of strategic human resource management into an organization requires extensive changes in work cultures, human resource practices and processes. The real or perceived consequences of such changes may frighten employees and consequently, strategic human resource management proposals may meet strong resistance from workers and their unions.

Barriers met by human resource strategists when attempting to implement strategic initiatives often result from failure to understand the strategic needs of the business with the result that human resource strategic initiatives are seen as irrelevant. This is more so when there has been inadequate environmental assessment and cultural factors that affect the content of the strategies. Implementation is also hindered where one initiative is taken in isolation without considering its implementation on other areas of human resource practice, where practical problems of getting the initiatives accepted by all concerned, including top management have not been dealt with, where there is inability to achieve ownership among line managers or to develop skills required to play their part in implementation (Armstrong, 2003). According to Gill (2006) strategic human resource management requires constant scanning of the external environment and timely changes in the human resource policies to meet emerging needs of customers. In reality, most human resource practices in organizations are fixed in

nature and are rigid in some cases. Thus human resource managers often find it hard to make use of the market situation to gain competitive advantage.

Gomez-Mejia et al (2010) state that one of the major components of strategic human resource management is its ability to give competitive advantage to the organization. This though, is hindered by several factors including; inability by organizations to maintain competitive advantage because whatever strategies organizations develop are copied by others; excess concentration on day-today problems resulting from the fact that managers are too busy putting out fires that they have not time to focus on long term goals; failure to translate the strategic plan into action. Any strategy must affect practice and if it does not, the employees and managers alike will regard it as all talk and no action. Human resource practitioners are faced with the challenge of developing appropriate programs that will make the human resource strategies work. Human Resource Managers should assume strategic role in management of human resource. When they lack training and experience in strategic management, they find it hard to develop human resource strategies, align them to corporate strategy and influence employees to support the strategies (MacLennan, 2009). According to Durai (2010), since strategic human resource management is full of uncertainties, Human Resource Managers often hesitate to undertake strategic human resource initiatives due to fear of failure. They are also afraid of the consequences of failure on their own future prospects in the organization.

In his study on challenges of strategy implementation at the Ministry of Cooperative Development and Marketing, Akwaru (2010) observed that implementation is not merely a matter of operationalizing a strategy, but rather, involves exercising command over resources, employees and their work. Further he noted that failure of strategy lies in the shortcomings and challenges of functionally based organization where cooperation among all functional areas is necessary. Achoki (2010) noted that the failure of strategy implementation came from weak management roles in the implementation process, lack of communication on the strategy, unaligned organizational systems and resources,

poor co-ordination and sharing of responsibilities, competing activities and uncontrollable environmental factors. Ocholla (2010) on his part argues that failure in strategy implementation arises due to failure to overcome four key organizational hurdles, namely; cognitive, motivational, resource and political.

Durai (2010) states that strategic human resource management has gained more importance because of the emergence of global markets, intensified technological development and shifting trends in customer preference. However, the introduction and execution of strategic human resource management is not all easy and quite a few issues hinder effective strategic human resource management implementation including absence of long term orientation, lack of strategic reasoning, changes in business or organizational strategy, among others.

## **2.4 Coping with Challenges of Implementing Strategic Human Resource Management**

Strategy implementation cannot be underestimated because the best formulated strategy is worthless if it is not implemented. A direct, specific and clear strategy is a good foundation for people to understand what they are to do because strategy implementation involves everything in the organization even as it goes about its daily activities. Unless the organization has defined its implementation strategy well, many challenges can occur and there is need to understand how to cope with those challenges if the initiative being implemented is to succeed (Heracteous, 2003),

### **2.4.1 Effective Leadership**

The implementation of strategic human resource management in an organization can only succeed where there is effective leadership, both of the implementation process and the organization. Effective leadership can be seen is how top management models desired behavior by living organizational values and how visionary and futuristic they are. Effective leadership is also exhibited by ability to empower employees so that they feel ownership, pride and accountability for processes and outcomes (Stanfield, 2009).



## **2.4.2 Central and Cohesive Organizational Culture**

Culture refers to the way things are consistently done in an organization and include the organization's work environment, its unique way of doing things, its own processes and politics, its beliefs and thought processes. A strong organizational culture promotes successful strategy implementation and encompasses shared beliefs in practice, norms and other practices within the organization that help energize the people to do their jobs to promote the successful strategy implementation. A weak culture on the other hand breeds poor work culture, lack of pride in ownership of work, eroded values and formation of political groups within the organization, which do not assist strategy implementation (De Witte, 2000).

## **2.4.3 Effective Communication**

Communication involves the transfer of selected information from the information source to its destination. As early as 1938, Chester Bernard observed that communication occupies a central place in an organization because the structure, extensiveness and scope of the organization are almost entirely dependent on communication techniques. Communication is one of the most important aspects that allow an organization to be an organization (Kumar, 1997). Good communication is essential to any organization's effectiveness. Poor communication is frequently cited as the source of organizational conflict (Vanita, 2003).

## **2.4.4 Supportive ICT Strategies**

A major element of the strategy is the creation of an ICT management structure that achieves coherence and eliminates the duplication and fragmentation of ICT. ICT should effectively support and enable the work programmes in an organization. Increasing the alignment of ICT programmes with substantive activities means that ICT must be more responsive to organizational units so that changes to work programmes or priorities are quickly reflected in the ICT activities and solutions (Pieper and Van der Veen, 2005).

## **2.4.5 Availability of Total Reward System**

The phrase compensation and benefits has given way to total rewards, which encompasses not only compensation and benefits, but also personal and professional growth opportunities and a motivation work environment that encourages recognition, values job design, and work life balance. The need for total reward systems is as a direct result of the fact that organizations have become more strategic in the way in which they manage their human resources (Heneman, 2002).

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1 Research Design

Case study research design was used. Case studies allow for an in-depth investigation of a particular phenomenon within a given context. The Researcher in this study was investigating the challenges of implementing Strategic Human Resource Management in a specific context, in this case, the Kenya Sugar Board. This bias of the study to a particular context makes the case study the most appropriate research design.

#### 3.2 Data Collection

The study used primary data which was collected through an interview with the respondents of this study. Interviewees were guided using an interview guide consisting of two sections A and B. Section A was used to collect the respondents' biodata while section B was used to collect their views on strategic human resource management and the challenges of implementing strategic human resource management at the Kenya Sugar Board.

The respondents of this study consisted of nine Heads of department at the Sugar Board. These departments are Human Resource, Finance, Sugar Technology, Corporate Planning, Corporate Secretariat, Loans, Internal Audit, Agriculture and ICT. The Managers were selected as the possible respondents because they are the ones who hold the strategic vision of the organization and are therefore more conversant with how strategy in whatever form or discipline affects the organization.

#### 3.3 Data Analysis and Presentation

The data was analyzed using content analysis. This entailed analysis of information collected by the researcher in a systematic manner in order to come up with relevant conclusions and recommendations about the phenomenon under

study so as to establish trends and relationships. Thus the researcher was able to clearly establish challenges of implementing strategic human resource management at the Kenya Sugar Board.

## CHAPTER FOUR

### DATA ANALYSIS, RESULTS AND DISCUSSION

#### 4.1 Introduction

The objective of this study was to identify challenges faced by Kenya Sugar Board in the implementation of strategic human resource management. Data was collected from the target respondents who were the nine heads of department, charged with the responsibility of strategy development, planning and implementation and analyzed in line with the objective of the study. The data was collected using an interview guide with open ended questions, thus allowing for further probing during the interview. All the nine heads of department were interviewed leading to a 100% response rate.

#### 4.2. Analysis of Personal Data of Respondents

The researcher sought to establish the authenticity of the respondents as a suitable target group for this study by looking at their personal data relating to age, education and experience in terms of years worked in the organization and their present jobs. The study found that all the respondents were above 40 years of age, which is viewed as the appropriate age group at which senior management levels should have gathered enough experience to lead strategic business units. The respondents were all university graduates, most having post graduate degrees. This is the level of education expected for top level managers in an organization to enable them take up decisional responsibilities with regard to the operations of an organization. The respondents are heading the nine departments at the Kenya Sugar Board and each of them has overall work experience of more than ten years both in the organization and in their present jobs. This was seen as an indicator that they had enough experience and knowledge of the organization to enable them respond effectively to the questions regarding this study.

### **4.3 General View of role of Human Resource Management in the Organization**

The researcher started by obtaining the respondent's perceived view on the role of Human Resource Management in the organization. The respondents viewed the organization's human resources as assets that could help the organization to grow, but did not view them much as a major source of competitive advantage. They felt that without the Human Resource's input, the organization could not function, thus making them assets to the organization, but on the other hand, they felt that the human resource in the organization was not a major source of competitive advantage primarily because they were not adequately engaged. As an example they state the case of a recent survey conducted on employee satisfaction showing that most employees would choose to leave the organization should they get another job. The respondents also stated that staff utilization was not optimal leading to disgruntled and idle workforce.

The researcher sought to find out the respondent's View on Primary Role of the Human Resources Manager with regard to organizational strategy and whether they saw him as a strategic business partner. The respondents saw the Human Resources Manager more of a functional administrator than a strategic business partner. In their view, a strategic business partner would have more ownership of the organization's HR policies, strategies and its operations than is currently the case. The organization being quasi government means that decisions that directly affect the workforce at times come from external persons other than the human resource manager leaving him with the role of interpreting those external policies in a way that can be understood by staff. They considered him to be a member of the management team.

### **4.4 Responses on Challenges Faced in the Implementation of Strategic Human Resource Management**

All the nine Heads of Department were interviewed using the same interview guide. While views were divergent in some cases, analysis is based on the

majority view though where necessary, some of the divergent views were mentioned.

#### **4.4.1 Organizational Culture**

Respondents were asked to describe the culture of the organization and state how this culture helped the organization in the implementation of strategic human resource management. It was clear from all the respondents that the Board does not enjoy one defined organization culture. All the respondents could not define the organizational culture in one word. Most of them agreed that though the organizational values, which should define the culture included words like efficiency, integrity and accountability, this could not be clearly seen in the organization. Respondents were of the opinion that the problem could be a pointer to a weakness in leadership that could be corrected through leading by example and living the values of the culture that needed to be inculcated into the organization, which, they felt, would lead to a cohesive culture that would make it easy to obtain collective employee buy-in necessary for implementation of changes in the management of human resources.

#### **4.4.2 Top Management Support**

The Study sought to find out the role of top management in the implementation of strategic human resource management in the organization. Respondents agreed that leadership and especially strategic leadership at the helm of an organization was imperative for effective strategy implementation. The study sought to further establish if the strategic human resource management implementation initiative had adequate support from top management. Views of respondents differed on this point as 22% of the respondents believed that there was adequate support from management and the Board of Directors to implement the change in Human Resource Strategy. They attributed the poor performance to other factors other than top management support.

The remaining 78% of the respondents felt that while top management was willing to adopt the new strategic approach to management of human resources support was not adequate in terms of pushing through the initiative. They felt that the pace with which top management pushed initiatives to the Board of Directors for approval and implementation was too slow, which in their opinion rendered the whole purpose of the initiative pointless by the time it was approved since some environmental factors may have arisen to overtake the purpose of the initiative when it was first conceived. They gave an example of a job evaluation exercise has taken three years to obtain Board approval. There was however Consensus to the effect that for successful implementation of strategic human resource management it was necessary for the leader to anticipate, envision and maintain flexibility and empower others to create the necessary change.

#### **4.3 Communication of New Initiatives**

Respondents were asked to comment on the need to communicate new strategy to employees and their opinion on the best way of doing that. There was general agreement that the new strategic approach to human resource management needed to be communicated to all employees, especially given the fact that the formulators of the strategy were not the same people who would be tasked with its implementation, so the need to understand it was imperative. The respondents felt that majority of the staff did not understand what strategy was all about and even less what strategic human resource management was. There had been no deliberate effort to communicate the change with management assuming that they could just do things differently, and the employees would adapt to the changes, an aspect which, respondents felt was a major problem in the implementation of strategic human resource management in the organization. They felt that communication channels such as training or workshops could have been used to bring the employees up to speed and obtain their buy-in. They believed that the slow pace of the initiative was mainly due to lack of employee buy-in resulting from their ignorance of their role in the new initiative, which in turn was breeding suspicion on where management was going with the initiative and how it might



affect them. It was the opinion of the Respondents that while the average employees was somewhat uncomfortable with the idea of change and associated it with such negative events as layoffs and redundancy the fact remained that change was a necessary part of life and a process of continual renewal without which organizations could die. They felt that it was up to the management team to devise communication strategies that were simple and easily understood by the employees and which at the same time involved them in the transition process.

#### **4.4.4 Management Knowledge of What Strategic Human Resource Management Entails**

The respondents were asked about their knowledge of strategic human resource management and how it would help the organization gain competitive advantage in a devolved government as enshrined in the new constitution. Respondents could not state what Strategic Human Resource Management was all about. They assumed that the roles appointed to Human Resource Department in the Organizational Strategic Plan made the Human Resource role in the organization more strategic. They did not see the importance of elevating the role of the Human Resource Manager to that of a strategic business partner since they felt that he had roles to play just like everyone else. Only one respondent defined the importance of strategic human resource management and the importance of the role of the Human Resource Manager as a Strategic Business Partner for organizational success stating that employees were the pillar of sustained competitive advantage for the organization and as such the role of the human resource manager ought to be more strategic even given board membership status so that from that vintage position, the manager can help the organization achieve its goals through effective

When asked their views on the role of strategic human resource management in the organizations business strategy, the respondents stated that the organizational strategic plan gave direction to the human resource management as to what strategic roles the organization expected the human resource department to play in the organization. Only one respondent saw strategic human resource management

as having a futuristic view of the organization in terms of the organization's cultural inclinations, career development, and availability of right skills within the organization which, he said, must be aligned to the future strategic direction of the organization.

#### **4.4.5 Flexible Human Resource Strategies**

The respondent's view on the flexibility of human resource strategies and practices were sought to which there was general agreement on the slow rate of implementation of human resource strategies, alluding to the fact that human resource strategies were not as flexible as they should be and also leading to a feeling that people prefer the status quo. Respondents felt that the slow pace of adoption of strategic human resource management initiative was due to the fact that things had been done the same way for too long and many were comfortable with the status quo. All respondents except one felt that pushing through such new initiatives would require greater effort from the human resource practitioners in the organization who seemed to lack the zeal to do so possibly due to reluctance on their part to challenge existing rules and regulations. Asked to state their view on the best way to go past the status quo and move forward, respondents were in agreement that some level of involvement of employees through appropriate communication strategies was necessary to dispel fear of loss on the part of the employees. They also felt that top management needed to be more involved in the implementation process and give the initiative an organization face that could be trusted by the employees and be seen as part of the everyday process of work and not as a stand-alone process that had come to interfere with their normal work environment.

#### **4.4.6 External and Internal Political Factors**

Respondents were asked their view on politics, both internal and external and how it affected the implementation of strategic human resource management in the organization. Respondents agreed that politics, both internal and external had an important influence on the effectiveness of the implementation process of the

organizational strategies, in that politics by their very nature can be carried to extremes and harm the effectiveness of an organization which posed a major challenge in implementation of strategic human resource management at the organization. On internal political factors, respondents were of the opinion that organizational politics is the means to the power craved by many in the organization mainly due to the fact that the actors seek different personal interests such as success, professional growth and financial security. Organizational politics, according to the respondents, arises in situations where there is uncertainty, lack of clarity or a lack of consensus about choices. It is therefore not surprising that any threat to the status quo, through such initiatives as the new way of managing human resources in a more strategic manner will be resisted.

When asked how external politics has affected the implementation of human resource strategies, the respondents stated that their role as a regulator of an industry that operates in specific parts of the country makes it impossible to avoid interference from interest groups aiming at securing employment for their people. The result of this is having politicians from those specific areas of the organization's operating environment with special interest in a workforce that is dominated by certain ethnic groups. These ethnic groupings exhibit strong group dynamics making it hard to push through any change initiatives which they see as a threat to status quo in the organization. In seeking to find out if there is any way forward to this status, the respondents opined that politics is a way of life and the effects of it can only be reduced through sound organizational policies, but the eradication of it, whether it is internal or external to the organization, cannot be guaranteed.

#### **4.4.7 Financial/Cost Implications**

The study sought to find out how the financial implications have affected the implementation of strategic human resource management in organization. To this question, the respondents felt that the strategic human resource management change initiative has received adequate financial support from top management.

They attributed the slow pace of implementation to other factors other than financial support.

#### **4.4.8 Copying Strategies which are Unsuitable to the Organization's Needs**

The researcher sought to find out whether challenges to the implementation of strategic human resource management in the organization could have arisen possibly because the organization was pushing through a good strategy before its time. The respondents were of the view that the environment is dynamic and one cannot remain static in their operations while the world was moving forward as this was a sure way of becoming extinct. While they were of general agreement that some of the initiatives for strategic human resource management being pushed through were unnecessary and that too many changes were being introduced at the same time, they however felt that with proper planning, organization and control of the process, the organization could pick what works for them at the present time and move slowly, in a systematic manner towards full implementation as one step in understood and accepted by the employees. Respondents felt that where the initiatives were clearly not workable, they should be discarded so that management does not look like it was being driven by activities rather than processes. An example given was that of sponsoring PhD students. The respondents here were of the view that the organization not being an agricultural or learning institution did not need PhD graduates, but rather Managers at MBA level. They felt that the sponsorship of academic programs should be restricted to MBA and below and for those above this threshold, the sponsorship should be in terms of time off granted to employees seeking these credentials.

#### **4.4.9 Changes in Overall Organizational Strategy**

The study sought to find out how changes in the overall strategy of the organization would impact on human resource strategies. Respondents agreed that a change in the organization's strategy would definitely affect human

resource strategy, especially in terms of the organization's structure. They observed that any change in the organizational strategy would mean that the human resource strategies would have to be re-defined so as to align them to the overall organizational strategy.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

The aim of this case study was to establish the challenges faced by Kenya Sugar Board, which in the implementation of strategic human resource management in the organization. The study established that the respondents were all in their 40s which is viewed as a the right age for management level employees. It was also established that the respondents had worked for the organization for ten years and had vast knowledge and understanding about the organization and its operations.

From the interviews, the study found that there was no dominant culture in the organization. Though organizational values such as integrity, efficiency and accountability are stated in the organization's strategic plan and should be the foundation stones for the building of a dominant organizational culture, this was not the case. The absence of a dominant culture was seen as the basis for difficulty in employee buy-in for organizational initiatives.

The study found that management was willing to adopt strategic human resource management approach to people management but their support in terms of pushing through the initiative at board level was found to be too slow. Resultant to this was instances where the initiatives would receive Board approval several years down the line, and would thus be overtaken by time and rendered useless. The study also established the fact that communication is key to the strategy implementation. It came out clearly from the interviews that the absence of a clear communication strategy has left employees ignorant of the implementation of strategic human resource management, its objective and relevance to their continued stay in the organization leading to resistance and insistence on status quo.

This study also established that there was little knowledge of strategic human resource management in the organization. The respondents who are departmental

heads in the organization saw no major difference between the traditional human resource management and strategic human resource management. Only one responded was able to differentiate between the two concepts. It was also found that there was little flexibility in the organization's human resource strategies. Changing them was a challenge since the people preferred the status quo.

Arising from the interviews, the study saw that both internal and external political factors were a major hindrance to the implementation of strategic human resource management in the organization. While strategic human resource management calls for a paradigm shift in the way human resources are management in an organization, the study found that ethnic inclinations and groupings seeking financial security, professional growth among others and a regional operating environment set up, made it impossible for the organization to do away with political interference. It was established through the study that financial implications in the implementation of the practice of strategic human resource management at the Board was not a major challenge.

While most respondents agreed that the strategic human resource management change initiative was necessary, they felt that it should adopt a phased implementation strategy to give those who it affects time to digest, understand and accept it as part and parcel of the organization's operating system. The study also established that a change in the overall organizational strategy would definitely have impact on the organization's human resource strategies.

## **5.2 Conclusion**

From the interviews carried out, it is clear that the level of understanding as to what strategic human resource management entails and how it can help the organization create stakeholder value while at the same time giving them a competitive edge through optimal utilization of its human resource is not appreciated at management level. .

While carrying out the interviews with the nine Heads of Department, it was established that most of them were clear about the direction of the organization

and could adequately articulate the strategic objectives of the organization. However, a spot check on a few members of staff from each department revealed that most of the lower cadres of staff had no idea what the strategic objectives were or where the organization was headed. Few had read either the strategic plan or the human resource manual and knew little of what they contained. Like the managers, they did not fully understand what strategic human resource management was and only linked it to structural changes and other change initiatives being carried out in the organization..

Strategic human resource management is concerned with people issues in the long-run and issues of culture, structure, values, commitment to organizational objectives and goals in the short-run. This can only be achieved by employees who are well motivated and engaged, who feel part and parcel of the organization's roles and objectives. There must therefore be clear policies on rewards and sanctions that are administered equitably throughout the organization and that are well documented, communicated and understood by all. Communications channels within the organization need to be enhanced so that issues of importance to the organization's operations are quickly brought to the attention of staff. Being a government body, Kenya Sugar Board is bound to the laws of the land and should abide by them as much as possible. Issues of negative ethnicity brought about by political alliances should be guided by government guidelines on proportions of employees per tribe or gender.

From the interviews carried out, the study established that the organization enjoys certain advantages that would help in pushing the process through, such as a willingness by top management to support the process and a ready financial base that they can use for successful implementation of the strategic human resource management initiative at the organization. The study will enable Kenya Sugar Board better its operations and give greater value to stakeholders since it will enable them assess their areas of weakness and strength in relation to the management of human resources. The government also stands to benefit as the study will help them.



### 5.3 Recommendations

Following the interview with the nine respondents and having looked at the findings, this study recommends greater management support that will ensure that the initiatives are pushed through to the board at a faster pace for their approval. The environment is dynamic and delays could render initiatives outdated by the time they properly entrenched into the organization, yet money has already been expended on it, thus investment in programs that will educate both management and employees on the importance of making human resource management more strategic would be of great help to the organization. There is need for a unitary cohesive organizational culture in the organization that will enable the entire workforce to pull in the same direction. A fragmented culture breeds confusion and encourages group dynamics that form the basis for resistance to any change that may be introduced into the organization.

The organization needs to involve staff in all its new initiatives so as to acquire the relevant buy-in that would make those strategies a success. To do so effectively, the organization needs a clear communication strategy that will enable them educate staff on issues that affect them in the organization. Management should also look at ways of carrying out the implementation process in a systematic way. While a chaotic creativity is allowed at the strategy formulation stage, implementation will only succeed through a systematic process.

A clear understanding of the organizational mandate, adherence to laid down policies and procedures and government regulations on employment should be encouraged so as to curtail the political interference in the organization. While some strategies work well for some organizations, they are not a one size fit all and the organization must ensure that is adoption of strategies that appear to be the 'in thing' the must tailor those strategies to their own unique needs.

## **5.5 Limitations of the Study**

The study was limited mainly by the concentration on management staff only and the divergent views they had on the study topic. Further limitation arose from the extremely busy schedules of the managers which necessitated changing appointments frequently.

## **5.6 Suggestions for Further Research**

While the study looked keenly at the challenges facing the implementation of strategic human resource management at the Kenya Sugar Board, it is the view of this researcher that there are other areas of study open for further research in the Human Resource Management field since it is a very wide field.

Further research could be carried out to establish the effects of effective human resource strategies on employee performance. Another area of study would be an investigation on the reasons why some public sector organizations seem to succeed in the implementation of strategic human resource management, while others fail. Research could also be done on the importance of strategic compensation management on employee job satisfaction. Still, more research can be done on the role of strategic training and development processes on career advancement and succession planning.

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## **APPENDIX 1**

Lydia K. Mwatete  
P.O. Box 62482 00200  
**NAIROBI**

The Chief Executive Officer  
Kenya Sugar Board  
P.O Box 51500 00200  
**NAIROBI**

### **RE: PERMISSION TO COLLECT DATA**

I am a student at the Nairobi University taking an MBA in Human Resource and Strategic Management.

I would like to request for permission to carry out research in your organization on the challenges facing Kenya Sugar Board in the implementation of strategic human resource management. The data gathering process will involve interviewing the nine heads of department using an interview guide.

Your acceptance will be appreciated.

Lydia K. Mwatete



## APPENDIX 2

### INTERVIEW GUIDE

#### SECTION A: PERSONAL DATA

(Kindly tick [√] or state your response in the appropriate box).

<b>1. Age</b>	
a. 19 – 25	
b. 26 – 35	
c. 36 – 45	
d. 46 and above	
<b>2. Level of Education</b>	
a. Tertiary/College	
b. University	
c. Post Graduate	
<b>3. Department ( Indicate)</b>	.....
<b>4. Present Position in Organization (State)</b>	.....
<b>5. Work Experience in years</b>	
a. 5 – 10	
b. 10 – 15	
c. 15 – 20	
d. Over 20	
<b>6. Work experience in present job (Yrs)</b>	
a. 5 – 10	
a. 10 – 15	
b. 15 – 20	
c. Over 20	

## SECTION B: INTERVIEW QUESTIONS

### General Questions of Respondent's View of role of Human Resource Management

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1. Organizations view towards its Human Resource
  - a. Are people treated as valuable assets of the organization or insignificant.
  - b. Are people seen as investment in future growth of the organization
  - c. Do you see people as a source of competitive advantage in your industry
  - d. Do you see people as partners in the achievement/success of organizational objectives
  - e. Other
2. Primary role of the Human Resource Manager in the Organization
  - a. Is he a Functional Administrator
  - b. Is he an Operational Expert
  - c. Is he seen as a Strategic partner of line management
  - d. Is he an integral member of senior management
  - e. Other
3. Management's view of Strategic Human Resource Management
  - a. Is it a necessary burden to the organization
  - b. Is it helpful in implementation of organization plan
  - c. Is it seen as essential to good organizational performance  
Does it make the organization more effective
  - d. Other
4. Reasons why the organization would integrate Human Resource strategies to the organizations strategies
  - a. Failure in implementing standalone HR strategies
  - b. Easy to track progress of organizational strategies
  - c. Easy to track individual targets that work towards achievement of organizational goals
  - d. It is fashionable to do so
  - e. Other
5. Management's view on seeing people issues integrated to organizational Strategies
  - a. Is it a matter of organizational philosophy
  - b. People are seen as drivers of organizational success
  - c. It is a way of tracking performance of individuals
  - d. It is a way of the organization showing its concern for employees

## Challenges of implementing Strategic Human Resource Management

6. What is your Organizational Culture
  - a. Is it based on your organizational values
  - b. How has it helped you in the implementation of strategic human resource management in the organization
7. Do you feel that you have adequate top management support in implementing the strategic human resource management initiative
  - a. If yes, why then is the process so slow
  - b. If no, why is support lacking and what needs to be done.
8. Is there adequate communication on new the new initiative for managing human resources
  - a. Does an organization communication policy exist
  - b. How well are strategies communicated to employees
  - c. How fast are changes communicated to staff
9. Is Management aware of what Strategic Human Resource Management entails. Do they understand what strategic human resource management is.
10. How flexible are your HR strategies and practices
  - a. How fast do people adopt to changes in human resource strategies
  - b. Have you experienced any resistance to the implementation of the new people Management strategy
  - c. Why do you think there is resistance (if any)
11. Do External and Internal Political Factors have any influence on the way human resources are management
  - a. What effects does the political environment, both internal and external have on the implementation of strategic human resource management
  - b. How do you think this can be managed effectively
12. Could Financial/Cost Implications have any influence in the implementation of strategic human resource management in the organization.

13. Is the initiative necessary or is it an effort to look fashionable and 'with it' like other organizations
  - a. How best can strategic human resource management implementation be carried out so as to add value to the organization
  - b. Has the organization considered strategies that are more suitable to its operations
  
14. How would changes in overall organizational strategy affect the management of human resources in the organization.