

**" A SURVEY OF THE USE OF FLEXIBLE HUMAN  
RESOURCE PRACTICES BY MANUFACTURING  
FIRMS IN NAIROBI "**

**BY:**

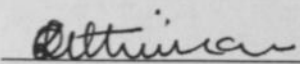
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**A MANAGEMENT RESEARCH PROJECT SUBMITTED  
IN PARTIAL FULFILLMENT OF THE  
REQUIREMENTS FOR THE DEGREE OF MASTER OF  
BUSINESS ADMINISTRATION (MBA), FACULTY OF  
COMMERCE, UNIVERSITY OF NAIROBI.**

**AUGUST, 2001**

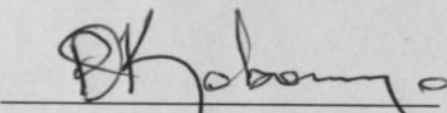
**DECLARATION**

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

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

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**DEDICATION**

Dedicated to my husband and friend Kirimi Rimberia, and our two children Dennis Gitobu and Caroline Karwitha.

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**ABSTRACT**

This study was an exploratory study whose objectives were:

- To establish the extent of use of flexible Human Resource Practices in manufacturing firms in Nairobi
- To find out the benefits accruing from the use of flexible human resource practices
- To establish the relationship between firm characteristics and extent of use of flexible human practices. The study was aroused by the fact that a lot of literature available on these practices was based on research done in America and Europe. No study appears to have been conducted in Kenya on such practices.

The data was collected by use of a structured and non-disguised questionnaire. The questionnaires were administered by a "drop-an-pick-later" basis. Secondary data from the firms' human resource manuals was also used. Eighty manufacturing firms were surveyed of which fifty eight responded.

According to the findings of this study, the following flexible human resource practices were found to be used extensively by the firms surveyed;

- Training and skill development
- Selectivity in recruiting and use of outsourcing and temporary contracts. In general the extent of use of flexible human resource practices in the manufacturing firms was found to be very Limited.

Chi-square test was used to establish any relationship between the extent of use of flexible human resource practices and firm characteristics. It was established that there

was a relationship between the extent of use of flexible human resource practices and the following firms characteristics.

- Existence of a human resource department
- Firm ownership i.e. either locally owned, foreign owned or joint venture.
- Scope of operation i.e. National, regional, or international

Firms that embraced flexible Human resource practices benefited to a great extent in numerous areas.

Mr. Njiru Mbugu, proprietor of Njiru Mbugu & Co. Advocates for making all necessary resources for typing and printing this project and other MBA papers available. A special thank you for the big heart.

Agnes Nyambura of Njiru Mbugu & Co. Advocates and Ms. Alice Mbugua (University of Nairobi) for your tireless efforts in ensuring that the contents of this project and other MBA papers were properly typed and printed on time.

All manufacturing firms who took time off to respond to my questionnaire.

To all those people, not mentioned here, who worked so hard, in one way or the other to make this study complete. To you all, I say a big THANK-YOU.

## ACKNOWLEDGEMENTS

I am indeed grateful to the many who have made the completion of this project successful. In particular, I feel greatly indebted to:

Professor Peter K'Obonyo, my tireless, competent and insightful supervisor who added much to the clarity, presentation and organization of ideas presented herein.

Mr. Njiru Mbogo, proprietor of Njiru Mbogo & Co. Advocates for making all necessary resources for typing and printing this project and other MBA papers available. A special thank you for the big, big heart.

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background

The purpose of this study was to investigate the use of flexible human resource practices in manufacturing firms in Nairobi. Organizations of varied types have been in existence for a long time. They have been created in order to serve the needs of the society in which they exist. However, such a continuous organization life is not automatically assured. Organizations by their activities have to justify their continuous existence in society (Aosa, 1998).

The environment in which these organizations operate is constantly changing, and so it makes it imperative for organizations to continuously adapt their activities in order to succeed. In order to survive in this very dynamic environment, organizations need to be more flexible in a way that they pursue opportunity without being bogged down by cumbersome structures or weighty procedures that impede action. Also, to succeed, the organizations require faster action, more creative maneuvering and closer partnerships with employees and customers than was typical in the traditional bureaucracy (Kanter, 1999).

The Kenya business environment has been undergoing drastic changes for sometime now. Some of these changes include the accelerated implementation of economic reforms by the government, the liberalization of the economy, discontinuation of price controls, privatization and partial commercialization of public sector and increased competition. In this changing environment, organizations have to constantly adapt their activities and internal configurations to reflect the new external realities. Failure to do this may put the future success of the organization in jeopardy (Aosa, 1998, Kanter, 1999).

Manufacturing firms in Nairobi are operating in this dynamic environment. There was a decline in growth in the manufacturing sector in Kenya of negative 0.3% in the year 2000 compared with 1.0% growth in 1999. This was caused by high cost of raw materials, energy, transport and other inputs that led to the uncompetitiveness of the sector (Central Bank of Kenya, 2001). Manufacturing firms, like any other organizations have to adapt to these challenges in order to survive. One way of adapting to these



changes is by embracing flexible human resource practices (Pfeffer, 1995). The most important asset to any organization is the human resources (Halcrow A. 1997). Decenzo (1998) further asserts that: -

"An organization is nothing without human resources. What is IBM without its employees? A lot of factories, expensive equipment and some impressive bank balances. Similarly, if you remove the employees from such varied organizations as the US Army, the CIA..., what would you have left? Not much." (P2).

People are the common element in every organization and they can be used to further an organization's competitive advantage (Decenzo, 1998)

Human resource-based competitive advantage refers to leveraging employees' skills to outperform rival firms (Barney, 1999). Competitive advantage according to him, residing in the people-embodied know-how and human resources rather than in physical or financial resources are what distinguish market leaders. Human resource-based competitive advantage is the utilization of employee capabilities to create value for customers in a way that rival firms cannot. Barney contends that a firm's resources lead to sustained competitive advantage when they are valuable, rare, inimitable and non-substitutable.

Human resources can add value by either improving efficiency or enhancing a firm's ability to satisfy customers' needs. According to Hunter et al as cited by Barney, research has shown that programs designed to create highly skilled workforce can result in higher productivity, and these improvements provide value to a firm, over and above the costs incurred. For example, employee empowerment programs tend to make performance more sensitive to variations in human skills, knowledge, and attitudes, and to ensure that mental effort rather than physical effort is instrumental for creating value and success.

According to Barney, human resource-based competitive advantage is also based on the assumption that labour supplies are heterogeneous across firms. Many human attributes such as cognitive ability, are normally distributed in the population, and because of the capability levels even one standard deviation above the mean are by definition, rare. If firms can attract and retain the best and the brightest employees,



and establish practices and maximize their value-adding contribution then they can build a competitive advantage through people.

In addition to the heterogeneity of labour, the question of rareness also depends on the asset specificity and mobility of the workforce. Barney maintains that employees' skills that are firm specific and cannot be transferred to other firms constitute a potential source of sustainable competitive advantage.

If a competitor can substitute another resource e.g. technology and achieve the same benefit vis-à-vis customers, then human resources would not provide sustainable source of competitive advantage. In the past, organizations have historically substituted capital for labour where possible, and replaced decision making with rules and procedures. However, there is a shift from "touch" tasks to knowledge work, and employees value hinges on cognitive processes such as problem diagnosis, and decision making. These aspects of human resources are not easily substitutable (Barney, 1999, Hardy, 2000). Pfeffer (1995) maintains that "to promote extraordinary returns over time, any source of competitive advantage must be difficult to imitate" (P5).

The above discussion establishes the fact that human capital as a resource possess the necessary qualities to qualify as a source of competitive advantage, according to the resource base view of the firm. Beyond this theory there is evidence demonstrating that flexible human resource practices add value (Barney, 1997; McGregor, 1998).

Flexible human resource practices that have been adopted in the USA are: employment security or employability, high wages, selectivity in recruiting, wage compression, incentive pay, employee ownership, information sharing, participation and empowerment, teamwork and job redesign, training and skill development, cross-utilization and cross-training, promotion from within, symbolic egalitarianism, long-term perspective, measurement of practices, and overarching philosophy (Pfeffer, 1995).

A survey of literature reveals that research that has been done on the subject of flexible human resource practices was based on organizations outside Kenya. A review of other publications such as journals on this matter shows that there has been no research done in Kenya on these flexible human resource practices. Such researches have, however, been conducted in developed countries whose economies are far much different from

our Kenyan economy and hence it would not be appropriate to apply the findings of these researches to our local environment before they are validated. It is therefore, hoped that this study will fill a gap in the knowledge and literature of flexible human resource practices in the manufacturing firms in Nairobi.

Research carried out in the USA, Europe, Australia and some parts of Asia indicates that the use of these practices is on the increase and also there are benefits accruing from flexible human resource practices to those organizations that have adopted them. Pfeffer (1995) and Ozaki (1999) report a number of benefits in a cross-section of firms. They are: reduced absenteeism and drug abuse, reduction in grievances, increase in both productivity and quality, higher compensation rates, quick delivery of merchandise, reduced down time, reduced labour turn-over, improved safety record, low occupational injury, multi-skilled labour, less space occupied, and greater commitment and loyalty.

Pfeffer demonstrates the impact of these flexible practices on firms' success and cites illustrations of the point as follows: -

*"At the Blue Ridge plant of Levi Strauss, the costs per unit declined by 5.5% during the three quarters following introduction of gain sharing and quality enhancement programs and absenteeism declined by 13%."* (P.47)

"The New Universal Motor Manufacturing Company (NUMMI) joint venture between Toyota and GM instituted a radically re-engineered management system including new selection, training, teamwork and production-based pay differentiation in the Fremont, California plant that was previously run by GM alone. Compared to earlier performance levels, the NUMMI venture resulted in a productivity cost and quality advantage of almost 50%." (P. 38)

Choudry (reported by Ndongko, 1999), argues that the general management in Africa is "... often authoritarian, inflexible and insensitive." Kenyan firms have been faced with massive lay-offs, mergers and acquisitions and collapse of firms. Just doing a layoff and reorganization will not solve anything. Instead, it will only assure the continuing need for more layoffs and 'reorgs' in the years to come. This form of change results in terrified and confused employees, drastically reduced productivity, and plunging profits. Training and integrating employees into a company is a huge investment. Disposing of these valuable employees is, quite simply, poor asset management (Gewirtz, 1996). He further argues that

"No good can come from desperate and mindless layoffs. The corporation is wasting its most valuable assets – its people." (P.19')

To estimate the extent to which flexible human resource practices are used in manufacturing firms in Nairobi. For the surviving and emerging organizations to sustain their existence and remain competitive, they have to shift from traditional practices and look with greater favour to more flexible practices. Some organizations, such as the Kenya Commercial Bank, have indicated that they are embracing the flexible human resource practices. The question is: to what extent are these practices being used in the manufacturing firms in Nairobi?

Manufacturing firms are expected to be using flexible human resource practices most, especially now, because they are the most hit by the effects of the recent trade liberalization in the country. They face stiff competition from imported goods, which have been increasing. They also encounter foreign exchange uncertainties and local currency value fluctuations, both of which affect their operations, especially importation of raw materials. The setting or opening up of regional markets such as common market for Eastern and Southern Africa (COMESA), Southern Africa Development Community (SADC), East Africa Co-operation (EAC) and other preferential trade areas (PTAs) present great challenge to manufacturing firms. Some manufacturing firms in Kenya have resulted to closure of their factories with consequent lay-offs of the employees. For these reasons, there is therefore a need to make these firms aware of the flexible Human Resource Practices. This is why manufacturing firms were chosen for this study.

## **1.2 Statement of the Problem**

The literature reviewed in the background indicates that flexible human resource practices are on the increase and firms that have adopted them have reported substantial benefits. However, the said literature is based exclusively on studies conducted in developed countries, particularly in the USA. The extensive literature search on the subject revealed no similar study in Kenya. Given the popularity of the practices and the reported benefits arising therefrom, it would be important to find out the extent to which Kenyan organizations have adopted the practices and what benefits, if any, are accruing to them. Therefore, the purpose of this study is to provide this information.

### **1.3 Research Objectives**

This study sought to achieve the following objectives: -

- a) To establish the extent to which flexible human resource practices are being used by manufacturing firms in Nairobi
- b) To find out the benefits accruing from the use of flexible human resource practices by manufacturing firms in Nairobi
- c) To establish if there is any relationship between the use of flexible human resource practices and firm size, and other characteristics of the firm.

### **1.4 Importance of the Study**

The study is expected to benefit the following: -

- a) The study will provide information to the employers, employees, labour unions and other stakeholders. Employers will be able to assess their Human Resource Practices vis-à-vis those of others and hopefully will adopt those practices that will benefit their firms.
- b) To academics – the study will add to the little literature currently available on the subject of flexible human resource practices.
- c) The study is also expected to stimulate further research into other aspects of the flexible human resource practices



## **CHAPTER 2**

### **LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK**

#### **2.0 Introduction**

This chapter presents a review of some of the literature pertinent to the subject of the study. In the initial part of the chapter an elaboration of the concept "flexibility" is given. The main part of the chapter concentrates on the review of the flexible human resource practices and their benefits. It is to be noted, however that, no research known to the researcher, has been done on this subject in Kenya, and therefore, examples will be drawn from outside Kenya, especially from the developed world.

#### **2.1 The concept of flexibility**

From the 1980's and beyond, developing the capacity for flexibility has increasingly become a requirement for operating successfully (Salaman and Mabey 1996). According to Carrell et al (1996) it is so "important that organizations include it in their strategic plans" (P. 124). Salaman et al (1996) state that for the organization to cope with variations in the nature and quantity of consumer demand it has to achieve greater internal organizational flexibility by becoming the "flexible firm."

Flexibility as defined by Spencer et al (1993) is the ability to adapt to and work effectively in a variety of situations and with a variety of individuals or groups. According to Spencer, it is the ability to understand and appreciate different and opposing perspectives as an issue to adopt an approach as the requirements of a situation change and to change or easily accept changes in ones own organization or job requirements.

Beardwell et al (1991) and Storey (1992) define flexibility as the ability to adjust the size and mix of labour inputs in response to changes in product demand so that "excess" labour is not carried by the organization. Beardwell asserts that flexibility is like the concept of human resource management in that it involves the reshaping of organization's labour so as to facilitate the more efficient of labour, or alternatively, it is more efficient exploitation. He argues that this involves two categories of managerial initiatives; the first aims at increasing management's ability to structure the workforce, and deploy and re-deploy workers in line with change in production requirements while the second is concerned with raising the quality and/or level of individual workers'



efforts in production. According to Beardwell flexibility as a goal of human resource management has its main emphasis on the planned use of labour aimed at reducing unit costs of production. He argues that this approach has found popular expression in lean production systems which minimise overhead labour costs by stripping out jobs which do not contribute directly to production and by looking for ways to economise on the use of directly productive labour. He argues that within flexibility are the soft techniques such as employee development programmes that are seen as ways of achieving certain forms of flexibility at work. A flexible workforce is created through training to broaden their skills and also by involving them in managerial decisions and plans. This means being willing and able to acquire new or additional skills as production requirements change, and accepting the need for the periodic redeployment of workers within the organization. Van Ham (1987) explained that flexibility is the attempt of the organization to keep labour costs closely related to its level of business activity. According to him, flexibility is the extent to which unnecessary procedures, policies and formality are minimised, and the extent to which people feel encouraged to develop new ideas and approaches.

According to Simai (1995) flexibility refers to the ability of individuals and institutions in the economy to abandon established ways and adapt to new circumstances. Simai (1995) and Taylor (1999) argue that more flexibility is required because of the structural adjustment technological breakthrough, quality considerations, and because of the new social issues societies are facing. Russell (1998) argues that being innovative and responsive to changing business environment requires greater flexibility.

## **2.2 The need for flexibility**

The need for flexibility is as a result of external events and changes. Internationalisation and globalisation has given organizations a global perception in their operations. This has resulted in few organizations being untouched by the presence of more overseas competitors for their products in home markets, even if they themselves do not export goods to any great degree (Armstrong, 1992). As organizations extend their operations in different geographical locations, they engage a diverse workforce that has diverse needs (Jamieson and O'mara 1991). The need to be more responsive to these external events requires the organization to be flexible.

Technological changes continue to produce turbulent business environment. The impact of new technology, especially information technology, has caused organizations to eliminate layers of management and supervision in the interests of more flexible response to new demands and cost reduction (Armstrong, 1992). The impact of technological breakthrough continues to be particularly pronounced in the manufacturing industries where the manner in which components are designed and made, and products assembled, has often been revolutionised and then revolutionised again in the space of a few years (Taylor, 1999).

In the Kenyan economic scene, fundamental changes have taken place over the last ten years. These changes have affected the manufacturing firms and indeed other organizations operating in this environment. The most notable of these changes has been the accelerated reforms by the government. The intended effect of these reforms has been to establish a free market and a competitive economic system in Kenya. The economy is now largely liberalized. There are no more price controls and portions of the public sector is either privatised or commercialised. These changes and those occurring in the international scene have made the organizations to compete aggressively on a global basis (Aosa, 1998).

The above factors and changes have caused many organizations to rethink their business strategy and at the same time the content and style of their human resource policies. Employers have begun to recognise employees as the key resources necessary for the firm's success. This has led employers to design flexible human resource management practices that promote competitive advantage (Martocchio, 1998).

Armstrong (1992) argues that in each area of human resource management it is necessary to develop flexible structures, climates, systems and organizations that enable the organization to respond readily to change. Werther et al (1995) contends that there is need for both the organization and the employees to be flexible because they are mutually dependent. Employees depend on organizations for employment while organizations depend on employees to get work done.

Byrne in the HR Focus (1999) states that as companies struggle to stay closer to their customers more fluid conceptualisations of structuring mechanisms have emerged. Instead of prizing fit between organisational structure and environmental uncertainty – a goal that leaves managers in rapidly changing situations always at least one step behind

– organisations have begun to focus on core competences, knowledge workers, and an optimally efficient or minimally necessary commitment to tangible assets. Proprietary knowledge or information, and the educated worker who embodies them, have increasingly become the focus of many leading organisations. In today's world, managing the firm involves the deployment of these knowledge workers within fluid flexible networks that promote the optimum improved utilisation of this human capital and other organisational resources and strengths. The horizontal organization is one term that has been coined to describe firms that elevate the management of processes over all other factors.

In such an organization vertical hierarchy is minimised in favour of establishing groups based on process, not function. These groups enable the firm to maximise the efficiency and effectiveness of each process and the talents of these multi-disciplinary employees assigned to each of the process groups. These process competencies then constitute a competitive advantage for the firm since they can help achieve a high level of efficiency, quality, and customer service, all at the same time (HR Focus, 1999).

### **2.3 A review of the flexible Human Resource Practices**

This section reviews various flexible human resource practices. The review begins with the description of the flexible firm model. The other part discusses the flexible practices and then the classification of these practices.

#### **2.3.1 Flexible firm model**

The notion of the flexible firm was developed by Atkinson (1985) as reported by Beardwell et al (1997) and Salaman et al (1996). According to Atkinson flexibility can take four forms (Taylor, 1999). These forms are: -

- Functional flexibility which is the firm's ability to use skills of the workforce in varying ways in response to demand
- Numerical flexibility which is the ability to adjust the number of employees in response to varying demand
- Financial flexibility, which means adjusting wages to demand and to performance
- Externalization or distancing where part of the firm's work is put out to other companies and employment contracts are replaced by commercial contracts.



According to Atkinson as reported by Armstrong (1998) there is a growing trend for firms to seek all the four forms of flexibility he put forward by developing an entirely new organization structure. The new structure of the flexible firm, which exhibits all the forms of flexibility described above, operates flexible employment practices whereby the workforce is divided into core or full-time, peripheral and distance workers (Taylor, 1999). The basic model (adapted by the source authors) is illustrated in figure 1.

According to Atkinson the core workers deliver functional flexibility by virtue of training, retraining and redeployment across tasks. The size and composition of the core group depends on organizational decisions on work organization and the design of jobs, since they offer firm-specific skills. Organizations invest a lot in training the core group and provide them with job or employment security in order to protect their training investment. Continuity in employment is necessary for the build up of skills and experience which form the basis of functional flexibility (Armstrong, 1998).

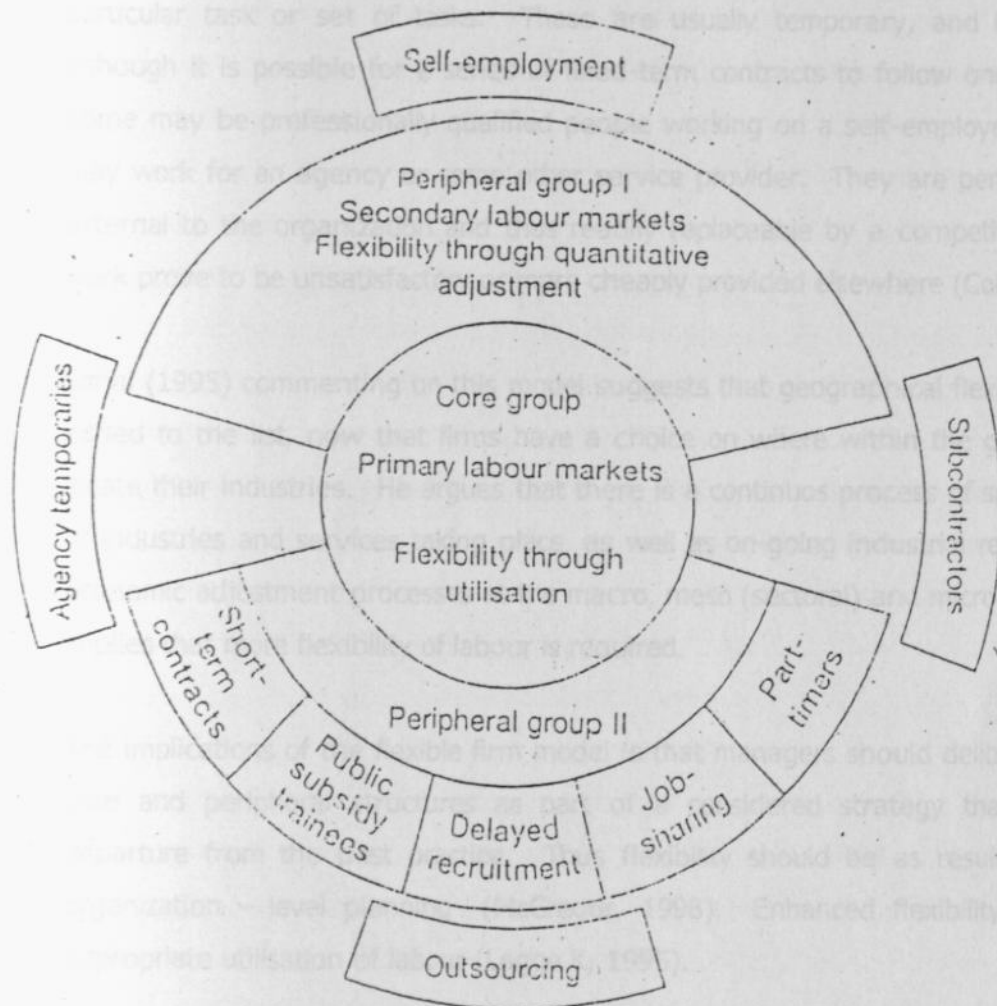
The core groups are employed on standard, permanent, full time contracts. They are functionally flexible, in that they do not work to rigid job descriptions but carry out a broad range of duties. They do not restrict their activities to work of a particular level, but instead, they carry out complex tasks associated with managerial or professional jobs as well as more mundane activities, depending on the day-to-day needs of the organization (Taylor, 1999).

The peripheral group is clustered around the core group and they insulate them as they supply numerical flexibility. According to Taylor (1999) the peripheral group can also offer functional flexibility but they are strongly associated with numerical flexibility.

Atkinson divided peripheral workers into primary and secondary categories, the first forming part of the firm's internal labour market. These people are mainly full time and have a certain degree of permanence, but tend to have lower skills than those in the core group. As individuals they are less central to the organization's success because their skills are more widely available in the labour market. They therefore enjoy lower job security than the core workers and will be among the first to have their hours cut or to be laid off when business downturns are experienced.

FIGURE 1

The "flexible firm"



2 Flexible human resource practices

The flexible employment practices that support the flexible firm model described above are part-time contracts, temporary contracts, sub-contracting, flexible hours contracts, and telecommuting or home-working (Taylor, 1999).

Source: Taylor (1999) P. 27

... have a move away from setting specific hours of work. Such contracts come in several different forms, but all help in some way to match the presence of employees with peaks and troughs in demand. They thus help ensure that



The secondary peripheral group are in an even precarious position, because they are brought in mainly to help cover peaks in business or short-term needs resulting from the absence of other staff. They are employed either on a part-time or temporary basis (Armstrong, 1998).

The final group, located beyond the periphery, consists of people who are not employees of the firm but who are hired on a subcontracted basis to undertake a particular task or set of tasks. These are usually temporary, and hence insecure, although it is possible for a series of fixed-term contracts to follow one after another. Some may be professionally qualified people working on a self-employed basis; others may work for an agency or some other service provider. They are perceived as being external to the organization and thus readily replaceable by a competitor should their work prove to be unsatisfactory or more cheaply provided elsewhere (Cole, 1998).

Simai (1995) commenting on this model suggests that geographical flexibility should be added to the list, now that firms have a choice on where within the global market to locate their industries. He argues that there is a continuous process of spatial relocation of industries and services taking place, as well as on-going industrial restructuring and economic adjustment processes at the macro, meso (sectoral) and micro levels, and this implies that more flexibility of labour is required.

The implications of the flexible firm model is that managers should deliberately develop core and peripheral structures as part of a considered strategy that represents a departure from the past practice. Thus flexibility should be as result of deliberate, organization – level planning (McGregor, 1998). Enhanced flexibility is the key to appropriate utilisation of labour (Legge K, 1995).

### **2.3.2 Flexible human resource practices**

The flexible employment practices that support the flexible firm model described above are part-time contracts, temporary contracts, sub-contracting, flexible hours contracts, and telecommuting or homeworking (Taylor, 1999).

Flexible hours contracts involve a move away from setting specific hours of work. Such contracts come in several different forms, but all help in some way to match the presence of employees with peaks and troughs in demand. They thus help ensure that

people are not being paid for being at work when there is little to do while at the same time avoiding paying premium overtime rates to help cover the busiest periods.

According to Taylor (1999) the most common, and least radical, departure from standard employment practices is the flexi-time scheme. This scheme identifies core hours when everyone must be at work, but allows flexibility outside these times. It permits the employees and their managers to vary the precise times in which they are at work in order to meet business needs and where possible, their own wishes. With this arrangement, it is possible for individuals who build up a bank of hours to take a "flexi-day" or half day off at a quiet time. Taylor argues that flex-time cuts out the need to pay overtime and keeps the overall headcount to a minimum and through this flexi-time maximises organizational efficiency.

A more radical form of flexi-time is the annual hours contract. The principle is the same, only that in this form of flex-time the amount of time worked can vary from month to month or season to season as much as from day to day. The variations in hours are decided by the employer without much choice being given to the employee. Each year, the employees are required to work a set number of hours, but to come in for much longer periods at some times than others. Pay level, however, remain constant throughout the year. The aim is to match the demand of labour supply and thus avoid employing people at slack times and paying overtime in busier periods.

The other form is the zero hours contracts, which organizations use in the case of casual employees who work on a regular basis. They are most suitable for situations in which there are frequent and substantial surges in demand for employees on particular days or weeks of the year but where their instance is unpredictable. A company needs to have a body of trained staff it can call on, but is unable to predict exactly how many it will need and on what dates. It therefore hires people on a casual basis, gives them training and then calls on their services as need arises. A variation on the zero hours approach is a system that guarantees casual employees a minimum number of hours a week or days a year.

Home-working or telecommuting is enabling employees to work at home on a flexible basis, but subject to work achieved or availability for consultation (Cole, 1999). According to Taylor (1999) home-workers fall into two camps; the up-market tele-

worker and the more traditional manual variety. The latter are heavily concentrated in the textile and leather goods industries, where people working alone away from the shop floor carry out part of the manufacturing process. Taylor states that the main advantage is a reduction in the size of premises required and savings are thus made in terms of office rents, business rates, heating and lighting. Cole (1999) states that the modern teleworking involves the use of the firm's computer terminals at home in order to carry out the job.

Part-time working involves employing people for a few hours each week usually on a regular or permanent basis (Cole 1999). Taylor (1999) contends that there are two main reasons for the use of part-time working. The first, and most common, is to enable an organization to respond more efficiently to peaks and troughs in demands for its products or services. Hence workers are hired to work part-time on busy days or to cover the busiest hours of the day. The second reason is in response to a demand from employees or potential employees for part-time jobs to be created.

Part-time reduces costs dramatically by making sure that people are present only when required. It also attracts qualified people who have other commitments and cannot be available for full-time employment. Taylor states that the other advantage of using part-time workers is their apparent lack of interest for trade union activity.

Three categories of temporary contracts exist. One category is where temporary workers are employed for a fixed term or on a seasonal basis to carry out a specific task or job. This category may include well-paid or secular people, as well as individuals brought in to undertake more ordinary work on a fixed-term basis. A second group are people who are employed temporarily but for an indefinite period. Their contracts thus state that they will be employed until such a time as a particular project or body of work is completed. A third category includes temporary agency staff who are employed via a third party to cover short-term needs (Armstrong, 1995). A firm's flexibility is enhanced by temporary workers by the fact that many temporary staff have no right to join occupational pension schemes, or the right to redundancy payments. They are particularly useful when the future is uncertain because they avoid raising employee expectations. It is easier when organizations or departments begin to fold, not to renew fixed term contracts than it is to make permanent employees redundant (Taylor, 1999).



Sub-contracting involves the use of consultants and other self-employed people to undertake specific, specialized work. Such arrangements can be long term in nature, but more frequently involve hiring someone on a one-off basis to work on a single project. The second form of subcontracting occurs when a substantial body of work is subcontracted to a separate company. Subcontracting enhances flexibility of the firm by cutting down costs. The rehiring of retired employees allows the firm to use firm specific expertise, but pays for it only when there is a particular demand (Taylor 1999, Handy 1999).

The benefits to the employees of the flexible firm model as reported by Beardwell et al (1997) and Taylor (1999) include the following: -

- Reduced labour costs from lower wage and non-wage employment costs in the periphery
- The ability of the firm to tailor the size of the workforce to changing demand levels so as to reduce costs arising from carrying excess labour, or alternatively from labour shortages.
- Increased productivity from the core workforce.

According to Beardwell the radical perspective views segmentation of the workforce as an extension of divide and rule strategies for extending managerial control and increasing the effective exploitation of labour.

Pfeffer (1995, 1997) in his own turn suggested practices that enhance flexibility. These are job security or employability, high wages, incentive pay, participation and empowerment, information sharing, wage compression, employee ownership, teamwork and job redesign, training and skill development, cross utilization and cross raining, promotion from within, symbolic egalitarianism, measurement of practices and overarching philosophy.

Employment security or employability means offering people the chance to grow in skills and accomplishment so that their value to any employer is enhanced - the present one, or a future one, or themselves as independent entrepreneurs (McCrimmon, 1995). As employees gain a range of skills they can be used flexibly by the firm by moving them across tasks or functions (Taylor, 1999). Employability and other practices like promotion from within and cross utilisation can enhance flexibility during turbulent times as indicated by the example of Delta Airlines given by Werther et al (1995);



"Human resource policies and management actions were designed to take care of Delta's people. The company went beyond merely promoting from within and offering superior wages and benefits. For example, when other airlines furloughed employees during a fuel crisis and the air traffic controllers' strike, Delta put surplus pilots and flight attendants to work selling tickets, loading bags, and even washing airplanes. Through these turbulent times, not one full-time Delta employee was laid off ... A year after ... Delta gave its employees an eight per cent raise while many other airlines were actually cutting wages." (P.8)

Wage compression is the narrowing the difference in salaries between the highest and lowest paid jobs. There has been a lot of disparity in salaries between the different heads of functions. Pfeffer (1997) cites examples of Germany where the head of the highest paid function, research and development earn 31% more than the lowest paid executive in personnel. In the USA the top paid functional executive in finance earns 58% more than the senior personnel. In Japan the disparity is small in that the highest paid earns 13% more than the head of the lowest paid function. Pfeffer contends that this kind of disparity is also experienced among the employees. The reason put forward for this high disparity is that traditionally there has been specialization that is much more functional and there is a tendency for mobility to be within particular speciality. In Japan, where there is low disparity, there is more flexibility, as careers tend to be multifunctional within a single organization (<http://www.google.com>). Pay compression enhances flexibility in a firm because pay dispersion lessens the sense of community and common fate that strong culture organizations seek to build as a source of competitive advantage.

Employee ownership is a revolutionary approach that uses employees both as owners and employees of the firms. It refers to ownership of a business by its employees through stock ownership plans (ESOP) (Rosen 1998). Through this arrangement, employees readily accept flexible wages; for example when there is downturn in business they can accept lower wages since they are entitled to share in company shares. Werther et al (1995) cites the following example at Weirton Steel Corporation;

"The National Steel Corporation created ESOP to diversify its steelworks in Weirton, .... National assumed \$5 million in un-funded pension liabilities and loaned money to Weirton. Weirton employees took a 20% cut in wages and benefits and agreed to a six-year freeze in their wage levels. As employees

bought stock, National was repaid. The following year Weirton posted a profit, which was the largest profit per ton of steel among the six major steel companies." (P. 453)

Employee ownership is the important part of the reason for the persistent success of many Japanese firms (Pfeffer, 1995).

Promotion from within is a move of an employee to a job within the company, which has greater importance and usually, a higher pay. Promotion from within encourages training and skill development because the availability of promotion binds workers to employers and vice versa. Through this flexibility is enhanced as it improves the utilisation of employees across functions or tasks (Graham & Bennett, 1999). Pfeffer contends that it ensures that employees are conversant with all the organization operations for example, at Nordstrom even those with advanced degrees start at the sales floor.

Organizations need also to be flexible in their pay systems. According to Abernathy (<http://www.nceo.org>), the conventional wage and salary system is an "entitlement" system in which employees expect annual pay increases regardless of the profitability of the organization. Abernathy, McGregor (1998), and Gavejian (1997) agree that pay opportunity should be indexed to the performance of the organization, and the employee. The major shift is towards incentive pay, that covers all employees rather than the traditional senior management and sales programs. The most common programs are piece rates, goal sharing, profit sharing, and the profit-indexed performance pay (PIPP). These systems are flexible in that they allow employers to adjust the total wage bill to the business cycle.

The traditional organizational hierarchy does not offer the organization any form of flexibility. It is a system of centralism, which focuses on functions and each worker in each functional array focuses on his/her job. This system is held together by conformance rules, strict procedures, and pervasive manager-ship. An alternative to this hierarchical approach that offers organizations flexibility is the use of the decentralisation approach. This approach is based on teams and not functions. The most common type of teams in organizations are the cross-functional teams where

members of separate work groups come together to improve a specific process (Stahl, 1998).

Teams encourage cross-utilisation and cross-training employees. This results in a well-aligned company strategy for quick response to sudden changes in the market place. Use of teams also encourages information sharing, participation and empowerment. Employees are able to make decisions at the lowest level and hence act flexibly to any changes.

Cross-utilisation, cross training and retraining can offer functional and numerical flexibility. Pfeffer (1997) contends that it is easier to keep people at work if they have multiple skills and can do different things. According to him, when Mazda, the Japanese automobile manufacturer, suffered decline in the 1980's rather than laying off factory workers, put them to work selling cars. He contends that from the organization perspective cross training is implemented to increase flexibility in staffing positions, to prevent worker's obsolescence or career plateau and to make work-teams more autonomous and self-sufficient.

In conclusion, it is clear that the practices suggested by Pfeffer are inter-related, and they can be used to increase flexibility in an organization.

### **2.3.3 Classification of flexible human resource practices**

Armstrong (1998) suggests that flexible practices as means of achieving the most efficient use of Human Resources can be categorised into: -

- Contract based, that is, new forms of employment contracts are written in terms which emphasize the overall purpose of the job and its principal accountabilities, related to the achievement of corporate or departmental objectives, without specifying in details the duties to be carried out by the job holder. The job description may contain a catchall phrase such as "accountable for the performance within the capability of the job holder of such other duties as are required to achieve the overall purpose of the job."
- Time based where the traditional system of 8.00am to 5.00pm is replaced by use of flexible hours of work.
- Job based where workers can be moved from task to task and may be expected to use a wider range of skills within their capabilities.

- Skill based where employees are required to possess a range of skills required to perform different tasks e.g. machine operators having necessary skills not only to operate their machinery, but also to carry out basic maintenance and deal with faults and breakdowns of the machinery.
- Organization based where the firm makes use of part-time and temporary staff or contract workers.
- Pay-based where reward policies respond to business fluctuations, the rapidly changing pressures to which the organization and its employees are likely to be subjected, the demand for different types of skills, and variations in market rates for different categories of staff.

Most of the manufacturing firms are concentrated in the Eastern part of Nairobi - called Industrial area. Within this industrial area are not only large in number but are also diverse in nature. They can be classified under two main sectors, namely:

The agro-based industrial sector consisting of firms manufacturing meat and dairy products, canned vegetables, and fruits, grain milling and bakeries, sugar, beverages and tobacco, paper and paper products, wood and cork products.

The Non-agro based manufacturing firms are classified into two:

- The engineering and construction industrial sector

- The chemical and mineral industrial sector

Manufacturing firms included in this sector are textiles and clothing, leather and footwear, petroleum and chemicals, plastics, clay and glass, non-metallic mineral, and metal industries (Kenya Manufacturing Directory, 1998: 9).

### 3.1.2.1.1. Sample

Population of the study consisted of all large manufacturing firms located in Nairobi. When the size of a firm, several different measures have been used. They are sales turnover and number of employees in the firm, capital employed, assets turnover, level and type of sales turnover and level and type of assets turnover. For purposes of this study the number of employees was used. A manufacturing firm is defined as one with at least 50 employees (KIRDI, 1997). The use of number of employees was used because the list (names) of the firms in the population of study was easily obtainable from KIRDI's Directory of Manufacturing Industries of 1997. The directory is more comprehensive and organized



## CHAPTER 3

### **3.0 RESEARCH METHOD**

This Chapter presents the research design that was used in order to meet the objectives of the study as set out in chapter one. Included in the design is the research setting, population, sample and sampling design, data collection instrument and data analysis techniques.

#### **3.1 The research setting**

The study was carried out in Nairobi's manufacturing sector. Most of the manufacturing firms in Kenya are concentrated in the Eastern part of Nairobi – called Industrial area. The firms within this industrial area are not only large in number but are also diverse in nature. They can be classified under two main sectors, namely: -

- The agro-based industrial sector consisting of firms manufacturing meat and dairy products, canned vegetables, and fruits, grain milling and bakeries, sugar, beverages and tobacco, paper and paper products, wood and cork products.
- The Non-agro based manufacturing firms are classified into two: -
  - i) The engineering and construction industrial sector
  - ii) The chemical and mineral industrial sector

Manufacturing firms included in this sector are textiles and clothing, leather and footwear, petroleum and chemicals, plastics, clay and glass, non-metallic mineral and metal industries (Kenya Manufacturing Directory, 1998/9).

#### **3.2 The population**

The population of the study consisted of all large manufacturing firms located in Nairobi. In determining the size of a firm, several different measures have been used. They include net assets, turnover and number of employees in the firm, capital employed, volume of sales turnover, level and type of sales turnover and level and type of technology used. For purposes of this study the number of employees was used. A large manufacturing firm is defined as one with at least 50 employees (KIRDI, 1997). This criterion of number of employees was used because the list (names) of the firms constituting the population of study was easily obtainable from KIRDI's Directory of Manufacturing Industries of 1997. The directory is more comprehensive and organized

compared to various business directories. It also categorizes manufacturing firms according to the number of persons they employ and so it is easy to pick those with at least 50 employees which is their definition of a large manufacturing firm. This criterion is also a good indicator of the complexity of the management structure of a company. The categorization is shown in the table below: -

**TABLE 1: SIZE OF FIRMS**

SIZE CLASS CODE	NUMBER OF EMPLOYEES
A	5 – 19
B	20 – 49
C	50 – 99
D	100 – 199
E	200 – 499
F	Over 500

Source; Kenya Directory of Manufacturing Industries, KIRDI, 1997

This study restricted itself to categories C, D, E and F. Since the Kenya Directory of Manufacturing Industries (1997) is old and some firms have collapsed, cross-checking of firms still in operation will be done using the more recent Kenya Association of Manufacturers Directory (2001), and a listing of manufacturing firms in Nairobi obtained from the Central Bureau of Statistics (March, 2001).

The choice of Nairobi as the area to be covered by the study is mainly due to convenience in terms of accessibility, time schedule and financial resources available to the researcher. The area is near to the researcher's base, therefore reducing the travel expense. Also, according to KIRDI's directory of manufacturing industries, most large manufacturing firms are located in Nairobi.

### **3.3 The sample and sampling design**

Considering the diverse distribution of the large manufacturing firms in Nairobi, and the limited budget and the time available, a sample of 60 firms was considered appropriate: 20 firms were selected from each of the categories C, D, E and F. This number was considered large enough to provide a general view on the usage of the flexible human

resource practices in the manufacturing sector and hence provide a basis for valid and reliable conclusions.

#### Organization structure

From a list compiled from the Kenya Manufacturing Directory, KIRDI (1997) and cross checked against the more recent Kenya Association of Manufacturers Directory (2001) and a list of operating manufacturing firms in Nairobi from Central Bureau of Statistics for any firms that might have folded-up, a random sample was selected for the study. It was hoped that the randomization would provide for a representative sample that would include respondents from a wide variety of the manufacturing firms i.e. agro-based and non-agro-based long established, locally or internationally owned. The firms were arranged into groups or clusters depending on the categories (C, D, E or F) in which they belong. Systematic sampling was applied to pick 20 firms from each cluster.

### 3.4 Data collection

This study used primary data collected using a questionnaire. The respondents to the study were top managers heading the human resource or personnel departments. In their absence, the deputy manager or any other senior manager responded to the questionnaire. This category of respondents is preferred because they are the ones most familiar with and most involved in the operations of the human resource/personnel departments and also in handling of the employees.

The questionnaires were administered on a "drop and pick-up later" basis. This method was used to ensure a high proportion of usable responses and a high return rate.

Primary data was supplemented by secondary data from the firm's policies and employees' manual books.

The questionnaire had both open and closed questions. Ordinal scale was used to rate the different variables that will be used to measure the extent of use of flexible human resource practices (see appendix 3). The questionnaire is divided into three sections (see appendix 2). Section A is divided into two parts: part I seeks bio-data on the respondents; part II on the identification or classification data for the firms in the study. Questions in Section B will address aspects of flexibility in the following areas;

- Resourcing
- Compensation

- Training and development
- Employees relations
- Organization structure

Questions in Section C are geared towards finding out the benefits accruing from the use of flexible human resource practices by the firms.

A letter of introduction (see appendix I) was given to each respondent prior to the research.

### **3.5 Data analysis**

The data analysis sought to establish the extent of use of flexible human resource practices and benefits accruing from their use by manufacturing firms in Nairobi. The "extent" of use of flexible human resource practices refers to how much the variables of flexibility are utilized by the firms, the number of firms using the practices, and the type of practices being used by the firms.

Before processing the responses the completed questionnaires were edited for completeness and consistency. The data was then coded to enable the responses to be grouped into categories.

Descriptive statistics was used to summarise the data. These include frequencies and percentages or proportions that were used to establish the number and proportion of firms using each of flexible human resource practices. Simple tables and cross tabulations were to present the relationship between firm characteristics and the flexible practices. Open ended questions were content analysed, and used to explain responses to close-ended questions to which they apply.

Chi-square test was used to establish if there is any relationship between the use of flexible human resource practices differs according to differences in firm sizes. The test was also extended to establish any differences between the practices and aspects such as:-

- a) Ownership of the firm
- b) Scope of operations i.e. local, international
- c) Age of the firm



- d) Proportion of unionized employees
- e) Whether or not there is a fully fledged human resource department

## ANALYSIS AND FINDINGS

### INTRODUCTION

The analysis of the data collected in this survey was thorough. The findings of the survey have been summarized in percentages, and many charts were included by use of tables.

The questionnaires were pre-tested and the necessary adjustments were made before the survey.

### RESPONSE TO THE QUESTIONNAIRES

The questionnaires were distributed on a "Drop and Pick up" basis. Fifty-eight questionnaires were completed. This represents a response rate of 32.5%, considered ample for the purpose of the study. Tables 1 and 2 below show a summary of the questionnaires returned as per firm ownership and type of firm.

### SUMMARY OF QUESTIONNAIRES RETURNED AS PER FIRM OWNERSHIP

Type of ownership	Number of questionnaires returned
Government owned	15
Private owned	20
Partnership	23
Total	58

## CHAPTER FOUR

### DATA ANALYSIS AND FINDINGS

#### **4.0 INTRODUCTION**

This chapter analyses the data collected. It also presents and discusses the findings of the study. The findings have been summarized in percentages, and mean scores have been presented by use of tables.

The questionnaires were pre-tested and the necessary adjustments made before collecting the data.

#### **4.1 Responses to the questionnaires**

The questionnaires were distributed on a "Drop and Pick-up later method". Fifty eight of the eighty questionnaires were completed. This represents a response rate of 72.5%. This was considered ample for the purpose of the study. Tables 2 and 3 below show a summary of the questionnaires returned as per firm ownership and type of manufacturing firm.

**TABLE 2: SUMMARY OF QUESTIONNAIRES RETURNED AS PER FIRM OWNERSHIP**

<b>Type of ownership</b>	<b>Number of questionnaires returned</b>
Foreign owned	15
Locally owned	20
Joint venture	23
Total (n)	58

**TABLE 3: SUMMARY OF QUESTIONNAIRES RETURNED AS PER CATEGORY OF MANUFACTURING FIRMS**

<b>Category of firm</b>	<b>Number of questionnaires returned</b>
Food manufacturing	21
Textile & clothing manufacturing	1
Chemical and petroleum	8
Paper or wood products	8
Rubber and plastics	8
Metal	2
Cigarettes and tobacco	1
Building materials	8
Household & personal care products	1
Total (n)	58

From the above information, it is clear that the majority of the firms that responded are jointly owned (i.e. joint venture) and food processing industries respectively.

#### **4.2 Organization and respondents profile**

##### **Scope of operation**

The table below shows the geographical scope of operation of the manufacturing firms.

**TABLE 4: GEOGRAPHICAL SCOPE OF OPERATION OF THE MANUFACTURING FIRMS**

<b>Scope of operation</b>	<b>Number of firms</b>
National (local within Kenyan borders)	17
Regional (in two or more countries within Africa)	18
International (operating in two or more countries one of which must be outside Africa)	23
Total (n)	58

**Age of the firms**

50 of the firms surveyed have been in existence for more than 20 years while 8 firms have been in existence between 10 and 20 years. None of the firms was less than 10 years old.

**Number of employees**

The number of employees in the 58 firms surveyed, ranged from 51 to 1,000. Table 5 below shows the number of firms as per the size class code.

**TABLE 5: NUMBER OF FIRMS WHO RESPONDED PER THE SIZE CLASS CODE**

<b>Size class code</b>	<b>Number of employees</b>	<b>Number of firms</b>
C	50-59	18
D	100-199	15
E	200 – 499	13
F	Over 500	12
	Total	58

The majority of the questionnaires were completed by firms in category C i.e. 18 out of the 20 questionnaires distributed were returned.

**Composition of the workforce**

All the 58 firms surveyed had more male employees than female. Many of the employees were in the 31-40 years age bracket. Only 15 firms did not have unionised employees. 80% of the firms indicated that majority of their employees were the technical staff because of the nature of their business.

**Existence of a human resource department**

Of the 58 firms surveyed 15 did not have a human resource department.

The respondents to the questionnaires, i.e. managers, had worked in the firms between 2 – 20 years.



**TABLE 6: RESPONDENTS' PROFILE**

Position of respondents	No. of firms	Percentage
HR managers	26	44%
Ass. HR managers	17	29%
General Managers	5	9%
Managing Directors	2	3%
Operations Managers	8	14%
Total	58	100%

### **Flexible human resource policy**

None of the 58 firms surveyed indicated having a flexible Human Resource Policy

### **4.3 Extent of use of flexible human resource practices**

This section presents findings on the extent of use of the flexible Human Resource Practices. They are presented in various categories based on classification by Armstrong (1998), and types put forward by Pfeffer (1985).

#### **4.3.1 Pay-based practices**

Table 7 below indicates the extent to which pay is based on various aspects.

**TABLE 7: PAY BASIS**

Extent to which Pay is based on	To a great extent		Somewhat		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
Performance	35	60	15	26	5	9	3	5	3.4
Skill	28	48	23	40	5	9	2	3	3.1
Length of service	10	17	18	31	18	31	12	21	2.4
Status	18	31	8	14	15	26	17	29	2.6
Organizational profitability	15	26	18	31	10	17	15	26	2.5

The above table indicates the various aspects of pay basis used by the firms. Other factors used to base pay as suggested by the firms include

- Market levels of similar jobs
- Scarcity of the skills
- Sensitivity of the job
- Location of the firm and
- Inflation

According to the figures in table 7, pay based on performance and skill had the highest mean score of 3.4 and 3.1 respectively.

To highlight the reasons given by the firms for use of the various pay basis, direct quotes (or verbatim statements) from the respondents are used. The reasons given by the respondents, in order of frequency, are listed below:

- To ensure continuous high performance and fair reward
- To attract and retain the best employees
- To ensure firm does not stagnate under the current depressive economic situation
- Compensation philosophy that takes into account merit and inflation

Table 8 below indicates the extent to which firms use flexible compensation approaches.

**TABLE 8: EXTENT OF USE OF FLEXIBLE COMPENSATION APPROACHES**

Extent Flexible Compensation Approach	To a greater extent		Somewhat		A little		Not at all	
	No.	%	No.	%	No.	%	No.	%
• Consolidated remuneration package	50	86	8	14	0	0	0	0
• Cafeteria approach	18	31	0	0	0	0	40	69

Majority of the firms used the consolidated remuneration package. Only 31% of the firms surveyed used cafeteria approach to a great extent. 69% of the firms did not use the cafeteria approach at all.

Table 9 below indicates the extent to which employees are free to make suggestions on the content of their pay packages to fit their needs and desires.

**TABLE 9: EXTENT OF EMPLOYEE SUGGESTIONS TO THEIR PAY COMPOSITION**

Extent	Number of firms	Percentage
To a greater Extent	8	14
Somewhat	25	43
A little	20	34
Not at all	5	9
Total	58	100

The above table shows that in the majority of the firms (57%) employees are free to make suggestions on the contents of their packages. In 43% of the firms, employees do not at all or rarely make these suggestions.

#### **Salaries paid by the firms**

The following table shows the rating of salaries paid in relation to others in the same industrial sector.

**TABLE 10: LEVEL OF PAY IN RELATION TO OTHERS IN THE SAME INDUSTRIAL SECTOR**

Level of pay	High	Medium	Low
Number of firms	13	33	12
Percentage	22.4%	56.9%	20.7%

All the 13 firms that indicated a high level of pay had international ties. All the 12 firms with low levels of pay were local firms.

#### **4.3.2 Incentive pay**

The most widely used incentive pay was the bonus. The average score indicates that the Bonus and profit sharing are more used by the firms than other incentive systems.

**TABLE 11: THE EXTENT OF USE OF INCENTIVE PAY PLANS**

Incentive pay plan \ Extent	To a greater extent		Somewhat		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
Bonus	21	35	19	34	4	9	13	22	2.8
Commission	8	14	15	26	2	3	33	57	1.9
Goal sharing	0	0	18	31	8	14	32	57	1.7
Gain/profit sharing	13	22	10	17	10	17	26	44	2.2
PIPP*	8	14	8	14	12	20	30	52	1.9

\*PIPP - Profit Indexed Performance Pay.

**TABLE 12: EXTENT TO WHICH ALL EMPLOYEES ARE COVERED BY THE INCENTIVE PLANS LISTED IN TABLE 11**

Incentive pay plan \ Extent	To a greater extent	Somewhat	A little	Not at all	Mean score
	%	%	%	%	%
Bonus	40	20	14	26	2.7
Commission	5	26	9	60	1.8
Goal sharing	9	9	22	60	1.7
Gain/profit sharing	17	26	17	40	2.2
PIPP*	14	21	17	48	2



### 4.3.3 Employee ownership schemes

**TABLE 13: EXTENT OF USE OF EMPLOYEE OWNERSHIP SCHEMES**

Extent Employees Ownership Scheme	To a greater extent		Somewhat		A little		Not at all		Me an sco re
	No.	%	No.	%	No.	%	No.	%	
Employee stock Ownership (ESOP)	8	14	2	3	8	14	40	69	1.6
Stock Options	8	14	2	3	0	0	48	83	1.5

From the above information, employee ownership schemes are not popular in the firms surveyed. Mean scores are below average.

**TABLE 14: EXTENT TO WHICH EMPLOYEE OWNERSHIP OF THE FIRM'S STOCK IS HELD AT VARIOUS LEVELS**

Extent Management levels	To a greater extent		Somewhat		A little		Not at all	
	No.	%	No.	%	No.	%	No.	%
Top management	15	26	10	17	8	14	25	43
Middle level	10	17	5	9	10	17	33	57
Low level	2	3	2	3	14	24	40	70

The table above indicates that the few firms using employee ownership schemes have them held by the top management. Only 4 firms indicated that they had stocks held by employees in the low level a great extent and somewhat great extent.

The number of firms that indicated that the stock ownership was in the hands of employees was small; they comprised 20 compared to 38 firms that did not have any form of employee ownership scheme.

#### 4.3.4 Wage compression

Wage compression is the narrowing the difference in salaries between the highest and lowest paid jobs. This is reflected by the disparities in salaries between the different heads of functions or departments.

**TABLE 15: DISPARITY IN SALARIES BETWEEN FUNCTIONAL/DEPARTMENT HEADS**

Disparity	Number of firms	Percentage
Very high	12	21
High	15	26
Medium	23	40
Low	8	13

Very few firms (13%) indicated low disparity in salaries between departmental heads. The reasons or explanations given for the disparities were:

- Some departments required specialized skills, which took time to be acquired.
- Those in the core function of the business earned higher than those in other departments. Other departments like Human Resources was considered a support service requiring general skills
- The need to retain those with specialized skills by remunerating them well.
- That the firms were based on project and pay depended on the number of projects undertaken
- One firm explained that the reason for the high disparity was "associate status", whether local or expatriate. Expatriate associates had higher pay than the local associate.
- Those in the finance or accounting department were paid highly because their level of responsibility was considered sensitive.
- Skills level and experience: some firms indicated that some heads of departments had few years of experience and low skill level
- Firms have salary schemes baited on functions; hence the disparity.
- All heads of department paid at same level but length of service may have slight disparity

#### 4.3.5 Promotion from within

Of the 58 firms surveyed majority (50 firms) indicated their firms' preference for promotion from within. The table below indicates the percentage of jobs filled internally at different levels.

**TABLE 16: PERCENTAGE OF JOBS FILLED INTERNALLY**

Level of Management	Percentage		>75% High		50-74% Medium		25-49 Low		<25% Not at all	
	No.	%	No.	%	No.	%	No.	%	No.	%
Top jobs	15	26	23	40	8	14	12	20		
Middle level jobs	14	24	32	56	10	17	2	3		
Low level jobs	25	43	25	43	8	14	0	0		

Permanent low-level jobs are filled by those who are temporary or on contract. It is clear from the table that jobs were filled internally in the firms that were surveyed.

Although the firms surveyed indicated having a well spelt out policy on internal promotion, certain conditions had been put forward for promotion from within and they include;

- vacancy must exist
- vacancy must be advertised either internally, externally or both depending on the job
- interested candidates must make a formal application.
- Applicants must have the desired qualification and experience, and other job requirements
- Performance (past) is a critical consideration
- Where there is need to inject need blood then internal applicants are not considered.

#### 4.3.6 Flexible work arrangements

These are work arrangements that support flexible practices. The table below show the extent of use of flexible work arrangements.

**TABLE 17: EXTENT OF USE OF FLEXIBLE WORK ARRANGEMENTS**

Extent Flexible Work arrangement	To a greater extent		Somewhat		A little		Not at all		Mean Score
	No.	%	No.	%	No.	%	No.	%	
Flexitime	2	4	8	13	10	17	38	66	1.5
Outsourcing	10	17	20	35	13	22	15	26	2.4
Telecommuting	2	4	13	22	13	22	30	52	1.8
Job sharing	8	14	15	26	18	31	17	29	2.2
Temporary contracts	13	22	15	26	18	31	12	21	2.5
Part-time contracts	8	14	5	8	15	26	30	52	1.8

Outsourcing and temporary contracts are widely used forms of flexible work arrangements. Majority of the firms surveyed (52%) used outsourcing to a great extent and to somewhat great extent. The reasons given for the extent of use of outsourcing were:

- Cost saving, especially in services that were not the core activities of the business e.g. cleaning, security and maintenance.
- Outsourcing was used by firms that depended on projects and for which the skills required, were not available within the firm's pool of employees.
- Job sharing was used to avoid retrenching employees. It was, however, used only in those jobs that could be shared.
- Temporary contracts were used to cover employees who had gone on leave, and in peak seasons and/or when demands were unexpectedly high.
- Some firms indicated use of part-time contracts and temporary contracts on projects. These methods were also used in firms that had to run extra shifts in the factories and when tenders had been won.
- Telecommuting was only used to give directions on new packages by the Information Technology (IT) department.
- Firms using flexitime acknowledged the difficulties in administering the practice as it required careful scheduling and proper communication.



#### 4.3.7 Organization – based practices

Out of the 58 firms surveyed, the following were established;

- 38 (65.5%) firms engaged core-workers
- 18 (31%) firms maintained periphery workers
- 35 firms (60%) indicated having sub-contractors.

Core workers are employees who have firm's specific skills and undergo thorough training either within or out of the firm. The firms surveyed indicated that it is those core employees who handled core activities of the firm, such as marketing and production. Periphery workers, who sometimes serve on temporary terms, provided support in administrative matters and are guided by the core workers and their work can be temporary.

Sub-contractors were engaged to do services that could not be handled internally. They were also involved when a large tender had been won and terminated their services once the work was completed hence, reducing costs for the firms.

#### 4.3.8 Skill-based practices

These are practices requiring employees to possess a range of skills to perform different tasks.

Table 18 below shows the extent of use of skill -based flexible practices.

**TABLE 18: SKILL-BASED FLEXIBLE PRACTICES**

Practice	Extent		To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%			
Cross-training	18	31	13	22.5	13	22.5	14	24	2.6		
Cross-utilization	15	26	18	31	13	22	12	21	2.6		
Cross functional teams	18	31	15	26	10	17	15	26	2.6		
Extent of multi-skilling	10	17	38	66	8	14	2	3	3.0		
Extent to which training offered by the firm enhances flexibility to perform different tasks	25	43	23	39	5	9	5	9	3.2		

No firm indicated having procedures for cross training and cross-utilization.

#### 4.3.9 Participation and empowerment

Table below shows the extent of participation and empowerment.

**TABLE 19: EXTENT OF PARTICIPATION AND EMPOWERMENT**

Extent Practice	To a great extent		Somewhat		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
Extent to which all employees participate in decision making	5	9	30	52	13	22	10	17	2.5
Extent of empowerment of employees in the firm	20	35	28	48	8	14	2	3	3.1

From above table, there is a high level of empowerment of employees, with a mean score of 3.1. The extent of employee participation in decision-making is rather low, with a mean score of 2.5 out of a possible maximum score of 4.

#### 4.3.10 Information sharing

The data on information sharing is presented in table 20.

**TABLE 20: EXTENT OF INFORMATION SHARING**

Extent	To a great extent		Somewhat		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
Number and percentage firms	28	48	25	43	5	9	0	0	3.4

There is a high level of information sharing; the mean score of the practice is 3.4 out of a possible maximum score of 4.

### **Existence of a Suggestion System**

Of the 58 firms surveyed 35, (60%) had a suggestion system while 23 (40%) did not have any such system. This suggests that most of the firms cared to have opinions or complaints from their employees, and are willing to improve on matters raised. This is also another way of involving employees on organization matters.

#### **4.3.11 Contract Based Practices**

Table 21 below indicates the extent to which job descriptions are designed according to process.

**TABLE 21: FLEXIBILITY OF JOB DESCRIPTIONS**

Extent Extent to which	To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
• Job descriptions are flexible	15	26	28	48	5	9	10	17	2.8
• Jobs are designed according to process	33	57	13	22	5	9	7	12	3.2

From the above table, it is clear that firms have general job descriptions; that could accommodate any changes in the business cycle. The jobs are also highly designed according to process.

#### **4.3.12 Egalitarianism**

The table below shows the extent of use of symbols of egalitarianism.

**TABLE 22: EXTENT OF USE OF EGALITARIANISM SYMBOLS.**

Symbol Of egalitarianism	To a great extent		Some-what (%)		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
• Open offices	33	57	13	22	7	12	5	9	3.3
• Unreserved parking	18	31	18	31	17	29	5	9	2.8
• Open communication	30	52	23	40	5	9	0	0	3.4
• Common dining/rest rooms	23	40	8	14	20	34	7	12	2.8

Majority of the firms surveyed tend to use Open Offices (57%) and open communication (52%).

Other symbols of egalitarianism given by the firms included:

- Equal Medical Scheme benefits for all the employees.
- Common transport system for all employees i.e. used for picking and dropping all employees in the morning and evening.
- Common canteen (dinning rooms) where all employees are served their meals including tea and snacks. None of the employees is served tea in the office. Some firms indicated having their own clubs and playgrounds.
- Same rates for long service bonuses (awards).
- Same rates for leave travel and allowances for all employees.
- Informal dressing code.
- Shared values and mission
- Employees free to address colleagues by whatever name they chose, e.g. first name.
- Employees do not need to make appointments to see managing director or the general manager. They could call him/her at any time or walk into his/her office.

#### **4.3.13 Measurement of Practices**

Tables 23 and 24 below indicate how often the firms reviewed their Human Resource practices and the extent to which this helps the firms to be adaptive to changes.



**TABLE 23: REVIEW OF HUMAN RESOURCE PRACTICES**

How often firms reviewed HR* practices	Number of firms	Percentage (%)
Frequently	25	43
Rarely	30	52
Never	3	5

\* HR - will stand for Human Resources.

A high number of firms, 30 (52%), rarely reviewed their HR practices, and 3 firms indicated that they never reviewed their HR practices at all. 43% frequently reviewed HR Practices.

**TABLE 24: EXTENT TO WHICH REVIEW OF HR PRACTICES HELP FIRMS ADAPT TO CHANGES.**

Extent	Number of firms	Percentage (%)
• To a great extent	25	43
• Somewhat	15	26
• A little	10	17
• Not at all	8	14

The mean score was 3.0 (out of a possible maximum score of 4), and this means that review of the HR practices helped most firms to be adaptive to changes.

#### **4.3.14 Organization structure**

Organization structure is the way an organization arranges its activities.

Majority of the firms surveyed, 38 (66%), had flat structures while the remaining 20 (34%) had tall structures.

### Span of control

Span of control refers to the number of sub-ordinates reporting to a single supervisor. Majority of the firms surveyed, 43 (74%), had a wide span of control while only 15 (26%) had a narrow span of control.

All the firms that had flat organization structures had also a wide span of control.

### 4.3. 15 Selectivity in recruiting

Table 25 below shows the extent to which firms stress multi-skilling at the recruitment and selection point.

**TABLE 25: MULTI-SKILLING AT RECRUITMENT AND SELECTION POINT**

Extent Practice	To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
• Multi - skilling at the entry point	28	48	23	40	5	9	2	3	3.3

Information from the above table shows that majority of the firms stress multi-skilling at the recruitment and selection point; 48% of the firms stress multi-skilling to a great extent and 40% at somewhat great extent. Only 3% of the firms do not stress multi-skilling.

### Psychometric Tests

Table 26 below shows extent of use of psychometric tests by the firms.

**TABLE 26: EXTENT OF USE OF PSYCHOMETRIC TESTS**

Extent Practice	To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
• Psychometric tests	15	26	10	17	8	14	25	43	2.3

The data presented in table 26 shows that a big number of the firms surveyed, 25 (43%), did not use psychometric tests at all, while 57% used them to varying degrees.

#### **4.3.16 Employability**

Only 13 firms (22%), out of the 58 surveyed, offered their employability to their employees; 45 firms (78%) did not.

The practices used to offer employability by the firms were indicated as follows:

- Job sharing
- Cutting down of salaries in depressive economic times
- Making sure that employees were multi-skilled. This ensured that they could be transferred to different functions.
- Firms operating in different countries indicated relocating staff from countries with unfavourably business climate to areas where business was booming.
- Outsourcing - some firms indicated outsourcing some of their non-core activities to those affected after restructuring of the firms.
- Carefully planned recruitment. Undertaking recruitment only when it is absolutely necessary to do so. For example, no replacements of employees lost through natural waste e.g. death was done.
- Transfer from specialised to general works.
- Further training.

#### **4.3.17 Long term perspective**

Table 27 shows the extent to which firms consider human resources, i.e. their employees as long term assets.

**TABLE 27: LONG-TERM PERSPECTIVE ON EMPLOYEES**

Practice	To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
• Long-term perspective	40	69	10	17	5	9	3	5	3.5

Majority of the firms, 40 (69%), valued their employees as long term assets. Only 5% did not value them as such. Overall, however, the firms surveyed considered their employees as long term assets as indicated by the mean score of 3.5 but of possible 4.

#### 4.4 Benefits of using flexible Human Resource Practices

The last question on the questionnaire required the respondents to indicate benefits accruing from the use of flexible human resource practices.

Table 28 shows the extent of benefits accruing to the firms from the use of flexible human resource practices.

**TABLE 28: BENEFIT OF USING FLEXIBLE HUMAN RESOURCE PRACTICES**

Practice \ Extent	To a great extent		Some-what		A little		Not at all		Mean score
	No.	%	No.	%	No.	%	No.	%	
i) Helped reduce absenteeism	18	31	25	43	10	17	5	9	3
ii) Improved quality of service/product	28	48	23	43	3	5	2	3	3.4
iii) Reduced production costs	28	48	18	34	5	9	5	9	3.2
iv) Improved employee morale	23	43	23	40	5	9	5	9	3.2
v) Promoted use of labour force	28	48	25	43	3	5	2	3	3.4
vi) Reduced grievance rate	13	22	38	66	0	0	7	12	3
vii) Increased participation in suggestion programmes	25	45	18	31	8	14	7	2	3.1
viii) Helped retain multi-skilled workers with a good understanding of the production process	25	43	25	43	3	5	5	9	3.2



The practices offered the firms benefits to a great extent considering that the mean score was above average for all the items used to measure benefits. Other benefits that were cited by the firms surveyed included:

- Improved relations with Trade Unions.
- Good interpersonal relations between employees
- Reduced scrap or wastage of materials
- Reduced pilferage.
- Willingness of employees to work during their free time such as lunch breaks, and
- Enhancement of the firms image.

Percentage =  $\frac{\text{Total score}}{\text{Total possible}} \times 100$

#### **4.5 Extent of use of flexible human resource practices by manufacturing firms**

The highest total possible score for each responding firm was 230.

Table 29 below indicates the total scores for different types of manufacturing firms and the percentages indicating the extent to which they use flexible human resource practices.

**TABLE 29: EXTENT OF USE OF FLEXIBLE HR PRACTICES BY DIFFERENT TYPES OF MANUFACTURING FIRMS**

Type of manufacturing firm*	Total score	%
Food Manufacturing industries (21)	1378	28.5 **
Textile and clothing manufacturing industries (1)	52	22.6
Chemical and petroleum manufacturing industries (8)	685	37
Paper and wood products manufacturing industries (8)	373	20.3
Rubber and plastics manufacturing industries (8)	525	28.5
Metal manufacturing industries (2)	89	19.3
Cigarettes and Tobacco manufacturing industries (1)	132	57.4
Building materials manufacturing industries (8)	713	38.8
Household and personal Care Products industries (1)	159	69

\*The number in the parentheses represents the number of firms in the particular sector that use the practices.

\*\*This percentage was arrived at as follows:

Total highest possible score for each firm was 230.

Total highest possible score for all the 21 food manufacturing firms =  $21 \times 230 = 4830$ .

$$\text{Percentage} = \frac{1478 \times 1000}{4830} = 28.5\%$$

4830

The rest of the percentages were computed in the same way.

#### 4.6 Extent of use of flexible human resource practices by all the firms

Total highest possible score for all the 58 respondents

$$= 230 \times 58$$

$$= 13,340$$

$$\text{Total scores} = 3940$$

$$\text{Percentage} = \frac{\text{Total scores}}{\text{Highest possible scores}} \times 100$$

$$= \frac{3940}{13340} \times 100 = 29.5\%$$

$$= 29.5\%$$

13340

Thus, from the 58 manufacturing firms that responded to the questionnaire, the extent of use of flexible Human resource practices was found to be 29.5%, suggesting that slightly less than one third of the firm surveyed used flexible human resource practices.

#### 4.7 Comparison between firm characteristics and extent of use of flexible human resource practices

This section presents analysis on the relations between various firm characteristics and extent of use of flexible Human Resource Practices.

##### 4.7.1 Firm size and extent of use of flexible Human Resource Practices

**TABLE 30: RELATIONSHIP BETWEEN FIRM SIZE AND EXTENT OF USE OF FLEXIBLE HUMAN RESOURCE PRACTICES**

Usage (% score)	Firm size				Total
	C	D	E	F	
Above 70%	5	5	8	8	26
60 – 69%	10	8	3	2	23
Below 60%	3	2	2	2	9
Total	18	15	13	12	58

**HYPOTHESIS 1**

$H_0$ : There is no relationship between firm size and extent of use of flexible human resource practices.

$H_1$ : There is a relationship between firm size and extent of use of flexible human resource practices.

Computed  $\chi^2 = 8.15$  (See appendix 3)

Level of significance = 0.05

Critical  $\chi^2 = 12.59$

**Decision Rule:** If computed  $\chi^2$  is greater than critical  $\chi^2$  reject  $H_0$ .

Since computed  $\chi^2$  (8.15) is less than critical  $\chi^2$  (12.59) at  $\alpha = 0.05$  null hypothesis cannot be rejected.

**Conclusion:** The extent of use of flexible human resource practices is not dependent upon firm size.

**4.7.2 Firm ownership and extent of use of flexible human resource practices**

**TABLE 31 (A): RELATIONSHIP BETWEEN FIRM OWNERSHIP AND EXTENT OF USE OF FLEXIBLE HUMAN RESOURCE PRACTICES**

Usage (%) scores	FIRM OWNERSHIP			Total
	Local	Foreign	Joint venture	
Above 70%	3	8	15	26
Below 70%	17	7	8	32
Total	20	15	23	58

**TABLE 3 (B): EXPECTED CELL SIZES**

Usage (%) scores	FIRM OWNERSHIP		
	Local	Foreign	Joint venture
Above 70%	9	6.7	10.3
Below 70%	11	8.3	12.7

**HYPOTHESIS 2**

$H_0$ : There is no relationship between firm ownership and extent of use of flexible HR practices

$H_1$ : There is a relationship between firm ownership and extent of use of flexible HR practices

$$\frac{(3-9)^2}{9} + \frac{(8-6.7)^2}{6.7} + \frac{(15-10.3)^2}{10.3} + \frac{(17-11)^2}{11} + \frac{(7-8.3)^2}{8.3} + \frac{(8-12.7)^2}{12.7}$$

$$4 + 0.25 + 2.14 + 3.3 + 0.2 + 1.74 = 11.63$$

Computed  $\chi^2 = 15.8$ ,

Critical  $\chi^2 = 7.81$ ,  $df = 2$ ,  $\alpha = 0.05$

Computed  $\chi^2$  is higher than critical Computed  $\chi^2$  we therefore reject  $H_0$  and conclude that there is a relationship between firm ownership and extent of use of flexible human resource practices.

#### 4.7.3 Scope of operation and extent of use of flexible Human Resource practices

**TABLE 32(A): RELATIONSHIP BETWEEN THE SCOPE OF OPERATION AND EXTENT OF USE OF FLEXIBLE HUMAN RESOURCE PRACTICES**

Usage (% scores)	Scope of Operation			Total
	N	R	I	
Above 70%	10	5	13	28
Below 60-69%	7	13	10	30
Total	17	18	23	58

**Key**

**N** – National (located within Kenyan borders)

**R** – Regional (operating in two or more countries within Africa)

**I** – International (operating in two or more countries, one of which must be outside Africa)



TABLE 32 (B): EXPECTED CELLS SIZES

Usage (% scores)	Scope of Operation		
	N	R	I
Above 70%	8.2	8.7	11.1
Below 70%	8.8	9.3	11.9

**HYPOTHESES 3**

$H_0$ : There is no relationship between scope of operation and extent of use of flexible HR practices

$H_1$ : There is a relationship between scope of operation and extent of use of flexible HR practices

$$\frac{(10-8.2)^2}{8.2} + \frac{(5-8.7)^2}{8.7} + \frac{(13-11.1)^2}{11.1} + \frac{(7-8.8)^2}{8.8} + \frac{(13-9.3)^2}{9.3} + \frac{(10-11.9)^2}{11.9}$$

$$0.4 + 1.57 + 0.53 + 0.37 + 0.37 + 1.47 + 0.3 = 4.44$$

$$\text{Computed } \chi^2 = 4.44, \text{ df} = 2, \alpha = 0.05$$

$$\text{Critical } \chi^2 = 5.99$$

Computed  $\chi^2$  is smaller than Critical  $\chi^2$  therefore  $H_0$  cannot be rejected and it is therefore concluded that the extent of use of human resource practices is not affected by scope of operation.

#### 4.7.4 Relation between age of the firm and extent of use of flexible HR practices

**TABLE 33 (A): RELATION BETWEEN AGE OF THE FIRM AND EXTENT OF USE OF FLEXIBLE HUMAN RESOURCE PRACTICES**

Usage (% scores)	Age of firm		Total
	More than 20 years	Less than 20 years	
Above 70%	20	3	23
60-69%	20	3	23
Below 60%	10	2	12
Total	50	8	58

**TABLE 33 (B): EXPECTED CELL SIZES**

Usage (% scores)	Age of firm	
	More than 20 years	Less than 20 years
Above 70%	19.8	3.2
60-69%	19.8	3.2
Below 60%	10.3	2.6

#### HYPOTHESES 4

4 (a)  $H_0$ : There is no relationship between age of the firms and extent of use of flexible human resource practices

4 (b)  $H_1$ : There is a relationship between age of the firms and extent of use of flexible human resource practices

$$\frac{(20-19.8)^2}{19.8} + \frac{(3-3.2)^2}{3.2} + \frac{(20-19.8)^2}{19.8} + \frac{(3-3.2)^2}{3.2} + \frac{(10-10.3)^2}{10.3} + \frac{(2-1.6)^2}{1.6}$$

$$= 2.02 + 0.013 + 2.02 + 0.0013 + 0.74 + 0.1 = 4.91$$

Therefore computed  $\chi^2 = 4.91$

Critical  $X^2 = 5.99$ ,  $df = 2$ ,  $\alpha = 0.05$   
 Computed  $X^2 (4.91)$  is smaller than Critical  $X^2 (5.99)$  therefore  $H_0$  cannot be rejected.

**Conclusion:** There is no relationship between age of the firm and extent of use of flexible Human Resource practices.

#### 4.7.5 Relation between the level of unionization and extent of use of flexible HR practices

**TABLE 34: PERCENTAGE OF UNIONISED EMPLOYEES AND EXTENT OF USE OF FLEXIBLE HR PRACTICES**

Usage (% scores)	Percentage of Unionised employees			Total
	None	Upto 40%	More than 40%	
Above 70%	5	8	12	25
60 – 69	10	7	5	22
Below 60%	0	3	8	11
Total	15	18	25	58

#### Expected Cell sizes

Usage (% scores)	Percentage of Unionised employees		
	None	Upto 40%	More than 40%
Above 70%	6.6	7.8	10.8
60 – 69	5.7	6.8	9.5
Below 60%	2.8	3.4	4.7

#### HYPOTHESES 6

- 6 (a)  $H_0$ : There is no relation between the proportion of unionised employees and extent of use of flexible HR practices.

6 (b)  $H_1$ : There is a relation between proportion of unionised employees and extent of use of flexible HR practices

$$\frac{(5-6.6)^2}{6.6} + \frac{(8-7.8)^2}{7.8} + \frac{(12+10.8)^2}{10.8} + \frac{(10-5.7)^2}{5.7} + \frac{(7-6.8)^2}{6.8} + \frac{(5-9.5)^2}{9.5}$$

$$\frac{(0-2.8)^2}{2.8} + \frac{(3-3.4)^2}{3.4} + \frac{(8-4.7)^2}{4.7} =$$

$$0.4 + 0.0005 + 0.13 + 3.24 + 0.0005 + 2.13 + 2.8 + 0.05 + 2.32 = 11.1$$

Computed  $\chi^2 = 11.1$  between the existence of human resource department and

Critical  $\chi^2 = 9.49, df = 4, \alpha = 0.05$

Computed  $\chi^2$  is larger than critical  $\chi^2$  therefore we reject  $H_0$ .

**Conclusion:** There is a relation between proportion of unionised employees and extent of use of flexible HR practices.

#### 4.7.6 Existence of a HR Department

**TABLE 35: EXISTENCE OF HR DEPARTMENT AND EXTENT OF USE OF FLEXIBLE HR PRACTICES**

Usage (% scores)	Existence of HR Department		Total
	Yes	No	
Above 70%	20	5	25
60 – 69	13	10	23
Below 60%	10	0	10
Total	43	15	58



**EXPECTED CELL SIZES**

Usage (% scores)	Existence of HR Department	
	Yes	No
Above 70%	18.5	6.5
60 - 69	17.1	5.9
Below 60%	7.4	2.6

**HYPOTHESES 7**

$H_0$ : There is no relation between the existence of human resource department and use of flexible human resource practices.

$H_1$ : There is a relation between existence of HR Department and extent of use of flexible HR practices

$$\frac{(20 - 18.5)^2}{18.5} + \frac{(5 - 6.5)^2}{6.5} + \frac{(13 - 17.1)^2}{17.1} + \frac{(01 - 5.9)^2}{5.9} + \frac{(10 - 2.6)^2}{7.4} + \frac{(0 - 2.6)^2}{2.6}$$

$$0.12 + 0.35 + 0.98 + 2.85 + 0.91 + 2.6 = 7.81$$

$$\text{computed } \chi^2 = 7.81$$

$$\text{Critical } \chi^2 = 5.99, df = 4, \alpha = 0.05$$

$\therefore$  Computed  $\chi^2$  is larger than critical  $\chi^2$ , therefore reject  $H_0$  and conclude that there is a relation between the extent of use of flexible human resource practices and existence of human resource department.

## CHAPTER 5

### SUMMARY AND CONCLUSIONS

#### 5.0 INTRODUCTION

This chapter summarises the findings of the study. It also gives conclusion drawn from the study, Limitations of the study and recommendation for further research.

#### 5.1 Summary and conclusions

The objectives of the study were to

- Establish the extent to which flexible human resource practices are being used by manufacturing firms in Nairobi.
- To find out the benefits accruing from the use of flexible human Nairobi resource practices by manufacturing firms in Nairobi.
- To establish if there is any difference between the use of flexible human resource practices and firm size, and other characteristics of the firm.

The "extent" of use of flexible human resource practices was taken to refer to how much of the variables of flexibility were utilized by the firms, the number of firms using the practices, and the type of practices used by the firms.

To achieve these objectives, eighty manufacturing firms were surveyed. Fifty-eight of these responded and data was analysed using the response of these firms. The results of the study are summarised below.

It was found that pay was mainly based on performance and skill. 60% of the respondents indicated basing pay on performance and 48% on skill. However, the firms also considered other factors and these include:

- Market levels of similar jobs
- Scarcity of skill
- Sensitivity of the job
- Location of the firm
- Inflation

Both performance and skill as basis of pay had a mean score of above 3 out of a possible score of 4.

Other methods i.e. length of service, status, organizational profitability also scored above the average score of 2. Most organizations (86%) used consolidated remuneration package and only 31% used the cafeteria approach.

Only 14% of the firms allowed employees to make suggestions to the composition of their pay package to a great extent, and only 5 firms did not allow employees to make suggestions. 13 firms indicated paying high salaries in relation to other in the same industrial sector. Most firms (33) indicated that they paid average (medium) salaries in relation to others in the same industrial sector.

Bonus and gain (profit) sharing were the most widely used types of incentive pay. All other incentive pay plans scored below average of 2. Only bonus and profit sharing covered all the employees. Few firms (14%) used employee ownership schemes, and these schemes were in the hands of the top management. The mean score for the two ownership schemes was below average.

It was found that majority of the firms had salary disparities that were high and medium. Only 13% indicated have low salary disparity. Various reasons were cited to explain the disparities.

86% of the firms embraced promotion from within practice, but certain conditions were put. Middle and lower level jobs were the ones mainly filled from internal. The most used flexible work arrangements was outsourcing and temporary contracts, i.e. 2.4 and 2.5 respectively.

Cross- training and cross utilization was used to a great extent by 31% and 26% of the firms respectively. Only 31% of the firms indicated using cross-functional teams to a great extent. However, none of the firms had procedures to be followed in cross training and cross-utilization.

All firms were involved in information sharing to some extent. 60% of the firms indicated that they had a suggestion system.

Very few firms involved their employees in decision making. 17% of the firms did not at all involve their employees in decision making. The mean score was 2.5 out of a possible score of 4.

Firms used varied symbols of egalitarianism, the most commonly used being open communication and open offices.

Only 43% of the firms reviewed their human resource practices frequently. 3 firms indicated that they never reviewed their practices.

Majority of the firms stressed multi-skilling at the point of entry i.e. recruitment and selection. Multi-skilling was also used to offer job security in some firms.

The firms rarely used psychometric tests. Only 13 firms indicated to offer their employees job security by using various methods. Job sharing, cutting down salaries, multi-skilling relocating employees, manufacturing core workers, outsourcing to former employees carefully planned recruitment.

The most widely used flexible human resource practices include the following

- Information sharing
- Job redesign; job descriptions were flexible and job designed according to process.
- Egalitarianism especially open communication and open offices
- Training and skill development
- Selectivity in recruitment
- Outsourcing and sub-contracting

When various flexible human resource practices were considered the highest extent of the use was found to be in the cigarette and tobacco industry (69%). However, only one firm had responded. 65% of the organizations had flat organization structures and 43(74%) had wide span of control.

Extent of use of flexible human resource practices in all the firms was found to be 29.5%



The least used practices were;

- Employee ownership
- Flexible work arrangements especially flexitime and telecommuting

Firms indicated the difficulties in administering flexitime.

A comparison between extent of use of flexible human resource practices reviewed that there was a relationship between extent of use of the practices and some firm characteristics i.e.

- Firm ownership (local, foreign or joint venture)
- Scope of operation (National, Regional or International)
- Existence of human resource department

From the foregoing, it may be concluded that manufacturing firms in Nairobi use flexible human resource practices but to a very limited extent.

However, as indicated above there are practices and variables of flexibility that are extensively used by the firms such as training and skill development, and selectivity in recruiting, use of outsourcing and temporary contracts.

## **5.2 Recommendations**

On the basis of the findings, it is clear that some manufacturing firms have not embraced flexible Human Resource Practices. The extent of use was found out to be low. Yet, literature on the subject indicates that the use of flexible human resources practices has worked for other organizations. There is need to sensitize firms especially manufacturing firms on these practices. Under the current economic recession firms need to reorganise themselves and the way they handle their assets especially the human resources. The trend from "touch" skills to "cognitive" skills means firms must attract and retain the assets with these skills.

Firms need to establish a Human resource department, as effectiveness of flexible human resource practices depends on how they are applied. They also require careful planning.

### **5.3 Limitations of the study**

This was an exploratory study that dealt with a very broad area of flexible human resource practices. Given the breadth of the subject areas it was impossible to exhaust all the aspects of flexible human resource practices in one questionnaire. This resulted in : -

- i) the questionnaire being too long
- ii) the possibility of having left out relevant questions.

Most respondents were not familiar with some of the flexible human resource practices. They may, therefore, have found it difficult to answer some of the questions despite the researcher's effort to make them simple as possible well at the same time retaining the intended meaning. It was for this and other factors cited above that some firms refused to fill the questionnaires.

The research study was limited to manufacturing firms only.

### **5.4 Suggestions for further study**

This study was limited to manufacturing industries in Nairobi. Research could be expanded to cover more manufacturing firms outside Nairobi.

Research could also be done in other sectors such as the service industry.

Research could also be done on only large firms and firms with international ties only etc.

This exploratory study established that the extent of the use of flexible human resource practice is limited. A more exhaustive and conclusive study would be to break down the present research and concentrate on a specific flexible human resource practice such as information sharing, training and skill development etc.

This would give the researcher a better chance of obtaining more information, hence ability to make conclusions that are more meaningful on the extent of use of flexible human resource practices in manufacturing firms. Questions for such a study would be easier to simplify since each aspect can be broken down into many different questions without making the questionnaire too long and tedious to fill.

Time was also a constraint. The short time schedule given to the study could not allow a comprehensive survey to be carried out.

#### LETTER OF INTRODUCTION

Like in all other exploratory studies, this study's findings do not provide a cause and effect relationship.

The study used a questionnaire and this implies that the findings could be opinions of the responding managers and therefore the findings may not represent the real picture on the ground.

This study is being carried out for a management project paper as a requirement in partial fulfillment of the degree of Master in Business Administration

There was a strong feeling of suspicion expressed by the Human Resource Managers, or the respondents. This resulted in a majority, almost all the firms requesting not to have their identities exposed in the final report. It is for this reason that no listing of the firms that responded is attached to this final report.

Your cooperation will be highly appreciated.

Yours,

Sincerely,

ANJA CATHRYN

STUDENT

PROF. K OBONYO P

SUPERVISOR

**APPENDIX 1****LETTER OF INTRODUCTION**

Please answer the following questions by placing a mark (✓) in the boxes provided or by giving the necessary details on the provided spaces.

Dear Respondent

**MBA RESEARCH PROJECT**

This questionnaire is designed to gather information on flexible Human Resource Practices in Nairobi. This study is being carried out for a management project paper as a requirement in partial fulfillment of the degree of Master in Business Administration University of Nairobi.

**ORGANIZATION DATA**

All the information you disclose will be treated in strict confidence and in no instance will your name or that of the firm be mentioned in the report.

Your co-operation will be highly appreciated.

Thank you.

Yours faithfully

\_\_\_\_\_  
**RIMBERIA CATHRYN**

**MBA STUDENT**

\_\_\_\_\_  
**PROF. K'OBONYO P**

**SUPERVISOR**



## APPENDIX 2

## QUESTIONNAIRE

Please answer the following questions by placing a mark (✓) in the appropriate box or by giving the necessary details on the provided spaces.

## SECTION A

## PART I: RESPONDENT PROFILE

1. Title or position of the respondents in the firm .....
2. How long have you been with this firm? ..... years.

## PART II: ORGANIZATION DATA

Please answer the following questions by placing a tick in the space provided.

- 4a) How would you classify your firm in regard to ownership?
 

Foreign owned	[     ]	
Locally owned	[     ]	
Joint venture	[     ]	
- b) In case your firm is a joint venture between foreign and local investors, what is the proportion of ownership?
 

Largely foreign owned	[     ]	
Largely local owned	[     ]	
Equally owned	[     ]	
- c) Which of the following best describes the geographical scope of your organization?
 

National (located within Kenyan borders)	[     ]
Regional (in two or more countries within Africa)	[     ]
International (operating in two or more countries one of which must be outside Africa)	[     ]
5. In which of the following categories does your firm fall?
 

Food manufacturing industry	[     ]
Textile & clothing manufacturing industry	[     ]
Chemical & petroleum manufacturing industry	[     ]
Paper or wood products manufacturing industry	[     ]
Rubber & plastics manufacturing industry	[     ]

- SECT Metal manufacturing industry [     ]
- Other (please specify) [     ]
6. For how long has your firm been in existence?
- Less than 10 years [     ]
- Between 10 years and 20 years [     ]
- More than 20 years [     ]
- 7
- i) Indicate the total number of employees in your firm .....
- ii) What proportion of the total number of employees are: -
- Female .....
- Male .....
- iii) How many employees in your firm are unionised? .....
8. i) Does your firm have a Human Resource Department?
- Yes [     ]
- No [     ]
- ii) If your answer to the above question is "no" who is in-charge of employee matters? .....
- 9a) What is your firm's human resource philosophy? (Please write it down).
- b) i) Does your firm have an organization-wide flexible human resource policy?
- Yes [     ]
- No [     ]
- ii) If your answer to the above question is "yes" please write it down indicating its salient features .....
10. Approximately what percentage of employees are: -
- University Graduates.....
- Technical staff (professional & non-graduate) .....
- Ordinary level to advanced level certificate holders .....
- Others (specify).....

## SECTION B

Rate the extent to which the following aspects of flexibility are used in your firm.

4	3	2	1
To a	Some-	A	Not at
Great	what	little	all
extent			

11a) **Extent to which pay is based on**

Performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organizational profitability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others (please specify) .....				

b) Why do you use the pay basis indicated above? .....

.....

## 12. Extent of use of the following flexible compensation approaches

- Total or consolidated remuneration package
- Cafeteria approach\*
- Others (please specify) .....

\* Cafeteria approach is a flexible benefit scheme where an employee can choose from a menu of choices.

13. Extent to which employees are free to make suggestions on the content of their packages to fit their needs and desires

14. Extent of use of the following incentive pay plans

- Bonus
- Commissions
- Goal sharing

14. How would you rate salaries paid by your firm in relation to others in the same industrial sector?
- High  4  
Medium  3
- |  |        |       |        |        |
|--|--------|-------|--------|--------|
|  | 4      | 3     | 2      | 1      |
|  | To a   | Some- | A      | Not at |
|  | Great  | what  | little | all    |
|  | extent |       |        |        |
- Gain/profit sharing
  - Profit indexed performance pay (PIPP)
- Others (please specify) .....
15. To what extent are all employees covered by the above incentive, pay plans?
- Bonus
  - Commissions
  - Goal sharing
  - Gain/profit sharing
  - PIPP
- Others (please specify) .....
16. Extent of use of the following employee ownership schemes
- Employee Stock Ownership (ESOP)
  - Stock options
- Others (please specify) .....
17. Extent to which employee ownership of the firm is held by: -
- Top management
  - Top management and middle level employees
  - Low level employees
18. To what extent is the firm's ownership in the hands of employees?
- |  |        |       |        |        |
|--|--------|-------|--------|--------|
|  | 4      | 3     | 2      | 1      |
|  | To a   | Some- | A      | Not at |
|  | Great  | what  | little | all    |
|  | extent |       |        |        |



19. How would you rate salaries paid by your firm in relation to others in the same industrial sector?

High  3

Medium  2

Low  1

- 20i). What is the disparity between the highest and lowest paid functional/departmental head in your firm

Very High  1

High  2

Medium  3

Low  4

- ii) Give an explanation for the disparity you have indicated above
- .....

- 21i) Do you have a policy that favours promotion from within your firm?

Yes  2

No  1

- ii) What is the percentage of jobs filled internally at the following levels?

	4	3	2	1
	(Above 75%)	(50-74%)	(25-49%)	(Below 25%)
	High	Medium	Low	Not at all
Top management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Middle level jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Low Level jobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- iii) Indicate conditions set up by your firm for promotion from within
- .....

- 22a) Rate the extent to which the following flexible work arrangements are used in your firm

Flexitime	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subcontracting/outsourcing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Telecommuting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job sharing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Temporary contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



4	3	2	1
To a	Some-	A	Not at
Great	what	little	all
extent			

b) Use the following: -

- Cross-functional teams
- Psychometric tests in recruitment and selection

25) Indicate the extent to which all employees participate in decision making

- |  |                          |                          |                          |                          |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| 25i) Indicate the extent to which all employees participate in decision making | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ii) Extent of empowerment of employees in your firm                            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iii) Extent of information sharing   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iv) Extent of employee's multi-skilling  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

26a) Do you have a complaint and/or suggestion system?

Yes  2

No  1

27i) Rate the extent to which job descriptions are flexible

ii) Jobs are designed according to process

28i) Rate the extent of use of the following egalitarianism symbols in your organisation

- Open offices
- Unreserved parking
- Open communication
- Common dining/rest rooms

ii) List other symbols that your firm uses to show comparative equality in the organization

.....

.....

.....

4 3 2 1  
 To a Some- A Not at  
 Great what little all  
 extent

- iii) What is the organization structure of your firm?
- Flat  2  
 Tall  1
- iv) Which of the following words describes span of control in your organization?
- Wide  2  
 Narrow  1
29. To what extent does training offered by your firm enhance employees flexibility to perform different tasks
- 
- 30a). How often do you review Human Resource Practices
- 3 frequently  rarely  never
- b) Rate the extent to which review of human resource practices help your firm to be flexible or adaptive to changes
- 
31. Rate the extent to which your firm stresses on multi-skilling at the recruitment and selection point
- 
32. Rate the extent to which your firm considers Human Resources as long term assets
- 
- 33a) Does your firm offer its employees any kind of job security or employability, i.e. guaranteed employment through cross-utilization e.t.c.?
- Yes  2  
 No  1



- b) If your answer is "yes" list the practices used in your firm to offer job security or employability .....
- .....

### SECTION C

34. To what extent would you say the following apply to your firm as far as the benefits accruing from the use of the flexible human resource practices are concerned.

- |       |   |                          |                          |                          |                          |
|-------|---|--------------------------|--------------------------|--------------------------|--------------------------|
| i)    | Helped reduce absenteeism   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| ii)   | Improved service/product quality  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iii)  | Reduced production costs  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| iv)   | Improved employee morale  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| v)    | Effective use of labour force   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| vi)   | Reduced grievance rate  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| vii)  | Increased participation in suggestion programmes  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| viii) | Helped retain multi-skilled workers with a good understanding of the production process | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Others (please specify) .....

### APPENDIX 3

#### ORDINAL SCALE\*

An Ordinal Scale is a ranking scale in which numbers are assigned to objects to indicate the relative extent to which the objects possess some characteristic. An ordinal scale allows one to determine whether an object has more or less of a characteristic than some other object, but not how much or less. Thus, an ordinal scale indicates relative position, not the magnitude of the differences between the objects. The object ranked first has more of the characteristic as compared with the object ranked second, but whether the object ranked second is a close or a poor second is not known.

1	2.1	4.41	0.7
2	3.2	10.24	0.9
3	4.3	18.49	1.6
4	5.4	29.16	0.01
5	6.5	42.25	0.04
6	7.6	57.76	0
7	8.7	75.69	0.001
		Computed $\chi^2 = 8.15$	

\*Malhotra K Naresh (1996) Marketing Research: An applied orientation. Prentice Hall Publishers, P. 273 – 4.

## APPENDIX 4:

## FIRM SIZE AND USE OF FLEXIBLE HR PRACTICES

CELL	O <sub>ij</sub>	E <sub>ij</sub>	O <sub>ij</sub> -E <sub>ij</sub>	(O <sub>ij</sub> -E <sub>ij</sub> ) <sup>2</sup>	(O <sub>ij</sub> -E <sub>ij</sub> ) <sup>2</sup> E <sub>ij</sub>
1.1	5	8.1	-3.1	9.61	1.2
1.2	5	6.7	-1.7	2.89	0.4
1.3	8	5.8	2.2	4.84	0.8
1.4	8	5.4	2.6	6.76	1.3
2.1	10	7.1	2.9	8.41	1.2
2.2	8	5.9	2.1	4.41	0.7
2.3	3	5.2	-2.2	4.84	0.9
2.4	2	4.8	-2.8	7.84	1.6
3.1	3	2.8	0.2	0.04	0.01
3.2	2	2.3	-0.3	0.09	0.04
3.3	2	2.0	0	0	0
3.4	2	1.9	0.1	0.01	0.001

Computed  $\chi^2 = 8.15$ 

Key:

O<sub>ij</sub> Observed frequencyE<sub>ij</sub> Expected frequency

$$\chi^2 = \sum_{i-1}^n \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Degrees of freedom = (4-1) (3 -1) = 6,  $\alpha = 0.05$ Critical  $\chi^2 = 12.59$

## APPENDIX 5:

The table below shows number of firms and extent of use of flexible human resource

## EXTENT OF USE OF FLEXIBLE HR PRACTICES

The following abbreviations will be used to refer to the respective flexible human Resource practices

<u>Abbreviation</u>	<u>Flexible Human Resource Practice</u>
P <sub>1</sub>	Pay flexibility
P <sub>2</sub>	Employee ownership
P <sub>3</sub>	Flexitime
P <sub>4</sub>	Outsourcing
P <sub>5</sub>	Telecommuting
P <sub>6</sub>	Job sharing
P <sub>7</sub>	Temporary contracts
P <sub>8</sub>	Part-time contracts
P <sub>9</sub>	Cross – Training
P <sub>10</sub>	Cross Utilization
P <sub>11</sub>	Teamwork
P <sub>12</sub>	Participation in decision making
P <sub>13</sub>	Employee empowerment
P <sub>14</sub>	Information sharing
P <sub>15</sub>	Employee multi-skilling
P <sub>16</sub>	Flexible job descriptions
P <sub>17</sub>	Job redesign
P <sub>18</sub>	Open offices
P <sub>19</sub>	Unreserved parking
P <sub>20</sub>	Open communication
P <sub>21</sub>	Common dining/rest rooms
P <sub>22</sub>	Training and skill development
P <sub>23</sub>	Measurement practices
P <sub>24</sub>	Selectivity in recruitment
P <sub>25</sub>	Long-term perspective
P <sub>26</sub>	Wage compression



The table below shows number of firms and extent of use of flexible human resource practices

Extent Practice	To a greater extent	Somewhat	A little	Not at all
P <sub>1</sub>	5	25	25	3
P <sub>2</sub>	3	8	20	27
P <sub>3</sub>	2	8	10	38
P <sub>4</sub>	10	20	13	15
P <sub>5</sub>	2	13	13	30
P <sub>6</sub>	8	15	18	17
P <sub>7</sub>	13	15	18	12
P <sub>8</sub>	8	5	15	30
P <sub>9</sub>	18	13	13	14
P <sub>10</sub>	15	18	13	12
P <sub>11</sub>	18	15	10	15
P <sub>12</sub>	5	30	13	10
P <sub>13</sub>	20	28	8	2
P <sub>14</sub>	28	25	5	0
P <sub>15</sub>	28	23	5	2
P <sub>16</sub>	15	28	5	10
P <sub>17</sub>	30	20	3	5
P <sub>18</sub>	35	15	5	3
P <sub>19</sub>	13	28	12	5
P <sub>20</sub>	25	23	2	8
P <sub>21</sub>	23	15	8	12
P <sub>22</sub>	23	28	2	5
P <sub>23</sub>	23	20	10	5
P <sub>24</sub>	28	23	5	2
P <sub>25</sub>	40	10	3	3
P <sub>26</sub>	12	15	23	8

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