HUMAN RESOURCE MANAGEMENT PRACTICES IN KERICHO WATER AND SANITATION COMPANY LIMITED KENYA

KIBET CHARLES CHIRCHIR

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DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the University of Nairobi for academic credit.

Signed: ……………………………..   Date: ……………………………

KIBET CHARLES CHIRCHIR

Reg.No.D61/60116/2011

This Management project has been presented for examination with my approval as the appointed supervisor.

Signed: ……………………………..   Date: ……………………………

MR. GEORGE OMONDI

Lecturer: Department of Business Administration

School of Business

University of Nairobi

DEDICATION

This Management Project is dedicated to my parents **JOSEPH K. LANGAT** and **MARY C. LANGAT** who have supported me and tirelessly encouraged me to pursue the programme to its conclusion.

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I thank God for his grace that has enabled me complete this Project successfully. I give thanks and glorify Jesus Christ for bringing me this far.

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ABBREVIATIONS

CBA   Collective Bargaining Agreement

CMT   Corporate Management Team

KCGWU   Kenya County Government Workers Union

KEWASCO   Kericho Water and Sanitation Company Limited

ABSTRACT

Human resource is the most important asset for any organization and it is the source of achieving competitive advantage. Managing human resources is very challenging as compared to managing technology or capital and for its effective management; organizations require effective human resource system. Human resource system should be backed up by sound human resource practices. The aim of the study was to identify the human resource management practices in Kericho Water and Sanitation Company Limited. This is a service company that deals with the water supply and provision of sewerage services to the residents of Kericho town and the surrounding environs. Case study research design was adopted for the study and primary data was collected from the company's corporate management team (CMT) headed by the Managing Director using interview guide. Secondary data was also collected and analyzed. The source of the secondary data was the company's policy documents namely the Strategic Plan 2013-2017, the Human Resource Procedures Manual, the Collective Bargaining Agreement 2013-2015 and the Budget Estimates for 2012/13 and 2013/14.It was established that Kericho Water and Sanitation Company Limited has put in place satisfactory human resource management practices in all human resource functional areas. It was therefore concluded that the company values its employees as demonstrated by the practices in place and recommendations were made for improvement in training and development, performance appraisal and occupational safety and health enforcement practices. Further research should be done on human resource management practices in other sectors of the economy and the challenges encountered in the implementation of human resource management practices in Kericho Water and Sanitation Company Limited.

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CHAPTER ONE: INTRODUCTION

1.1   Background of the Study

Armstrong (1999) suggests that human resource management is a strategic and coherent approach to the management of an organization's most valued asset; the people working there, who individually and collectively contribute to the achievement of its goals. Storey (1995), holds that human resource management is a distinctive approach to employment management which seeks to obtain competitive advantage through the strategic deployment of highly skilled workforce using an array of cultural, structured and personnel techniques. Human resource management can also be regarded as a set of interrelated policies with an ideological and philosophical underpinning (Storey, 1989). It is concerned with the employment, development and reward of people in organizations and the conduct of relationships between management and the workforce. It is important to note that human resource management is a very dynamic concept and so far new approaches such as human capital, human capital management and strategic human resource management have emerged. Human capital refers to the knowledge, information, ideas, skills, values, beliefs, experience, mental and physical health of individuals (Becker, 1964 & 2002).

Saxena and Tiwari (2009) indicated that human resource is the most important asset for any organization and it is the source of achieving competitive advantage. They held that managing human resources is very challenging as compared to managing technology or capital and for its effective management; organizations require effective human resource management system which should be backed up by sound human resource management practices. Human resource management practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfillment of organizational goals.

 Kericho Water and Sanitation Company limited is one of the water utilities that was formed as a result of water sector reforms (Water Act, 2002). The company is charged with the responsibility of providing water and sewerage services to the residents of Kericho town and the surrounding environs. The focus of the company is to effectively

and efficiently provide quality and reliable services at affordable cost to the customers. This mandate can only be realized by having in place skilled, competent and motivated workforce. These objectives can be attained through implementation of sound human resource management practices and hence the researcher's rationale of seeking to identify the human resource management practices at Kericho Water and Sanitation Company limited.

1.1.1   Human Resource Management Practices

 Human resource management practices namely human resource planning, recruitment and selection, performance management, rewards and compensation management, training and development, career planning and employee participation amongst several other practices vary from one organization to another. Katou and Budhwar (2007), Dimba and K'Obonyo (2009) point out that human resource management practices influence organizational performance. Human resource management practices are influenced by environmental factors such as globalization, competition to provide innovative products and services and the changing customer and investor demands. These factors force organizations to constantly improve their performance by reducing costs, enhancing quality and differentiating their products and services. These objectives can only be realized by organizations having in place unique human resource management practices. (Chang and Huang, 2005).

Cole (2002) holds that human resource planning practices aim at securing and improving an organization's human resources to meet present and future needs. Three principal stages can be distinguished namely evaluation of existing resources, forecast of future requirements and finally, action plan. A rigorous, valid and sophisticated recruitment and selection system helps in identifying a right candidate with potential to perform. A rigorous selection system generates a sense of elitism, creates high expectations of performance and signals a message of importance of the people to the organization (Pfeiffer, 1994).The mismatch between the person and the job can hamper performance levels, whereas a sophisticated selection system can ensure a better fit between the person's abilities and the organization's requirement. Also, selection practices have been found to be positively related to firm's performance (Terpsra and Rozell, 1993).

According to Cole (2002), the principal purpose of recruitment activities is to attract sufficient and suitable potential employees to apply for vacancies in the organization while the principal purpose of selection activities by comparison, is to identify the most suitable applicants and persuade them to accept a position in the organization. Training and development is another human resource management practice which has significant impact on organizational performance. Organizations can develop and enhance the quality of the current employees by providing comprehensive training and development. Research indicates that investment in training employees in problem-solving, teamwork and interpersonal relations result in beneficial firm level outcomes (Barak et al., 1999).

Performance management is equally a crucial human resource management practice. Organizations can monitor the development of desired employee attitudes and behaviours through the use of the appraisal mechanisms. This appraisal based information could be used for changing the selection and training practices to select and develop employees with the desired behaviours and attitudes. However, the effectiveness of the skilled employees will be limited unless they are motivated to perform their jobs. Employee compensation and rewards practices affect motivation of employees. Firms can use performance-based compensation to provide rewards to employees for achieving specific goals and objectives. A substantial body of work has provided evidence that incentive-based compensation has an impact on the firm's performance (Milkovich and Boudreau, 1998). Reward management is thus concerned with the formulation and implementation of strategies and policies, the purposes of which are to reward people fairly, equitably and consistently in accordance with their value to the organization and thus help the organization to achieve its strategic goals (Armstrong, 2006).

A well functioning career planning system encourages employees to take more responsibility for their own development, including the development of skills viewed as critical in the company. A Well planned career development system along with internal advancement opportunities based on merit result in high motivation among employees which has an impact on firm performance (Milkovich and Boudreau, 1998). Employee participation is a significant human resource management practice which has far reaching implications on the Organizational performance and employee productivity at work. The concept of treating employees as the most important asset of an organization is an

underlying assumption of human resource management. Facilitating and enhancing greater employee influence and participation is critical to successful human resource management practice in organizations.

Studies have shown that employee participation is positively related to performance, satisfaction and productivity of an employee (Verma, 1995). Staff grievances and disciplinary procedures are significant human resource management practices which have far reaching implications on employee welfare, motivation and job satisfaction. The introduction or development of these procedures should be carried out in consultation with employees and where appropriate their representatives (Armstrong, 1999.). It is essential to brief everyone on how the procedures operate and they should be published either in an employee handbook or as a separate document. Line managers need special training on how they should apply the procedures and the human resource department should provide guidance wherever necessary.

1.1.2   Kericho Water and Sanitation Company Limited

Kericho Water and Sanitation Company Limited is a private company which was incorporated in 1997 but started its operations in June 2002. The company's ownership has been transferred by the defunct Municipal Council of Kericho to the County government of Kericho. The company is charged with the responsibility of provision of water and sewerage services to the residents of Kericho Municipality and its surrounding environs (KEWASCO service charter, 2007). The Company is licensed by the Water Services Regulatory Board through Lake Victoria South Water Services Board on a five year Service Provision Agreement that is renewable subject to the Company's performance. The company is required to comply with the Water Services Regulatory Board Policies and guidelines. The notable issues by the regulator are the water quality standards, governance, staffing levels and tariff amongst other issues. The Company is run by a board comprising of nine directors drawn from the County Government of Kericho and the stakeholders that is the business community, the professionals and women representative. The company's area of coverage is 111 km2 but plans have been made to extend coverage to the entire County. The company's staff establishment stands at one hundred and thirty five (135) employees. The majority of the employees were initially working for the defunct Municipal Council of Kericho, Water and Sanitation

department but were transferred to the company when it was operationalised in June 2002.

Kericho Water and Sanitation Company has in place a human resource and administration department and human resource management policies contained in the human resource manual. These are meant to guide the management and the employees on all issues that relates to employment and staff welfare. The company has engaged three categories of employees in its establishment structure. These are the fixed term contract employees, the permanent and pensionable employees and the Casuals. The fixed term contract employees comprises the corporate management team, that is the Chief Executive Officer and the departmental heads who serve on three year contracts renewable based on an individual's performance. The permanent and pensionable staffs are further categorized into unionizable staff and the middle level managers who are not unionized.

Since the majority of the employees were transferred from Municipal Council of Kericho to Kericho Water and Sanitation Company which is a commercial oriented business entity, emphasis and focus is on best practices in human resource management, however challenges are encountered in the implementation of best practices in human resource management in the company because of political interference, favoritism, nepotism, ethnic considerations, lack of knowledge and skills on human resource management by the line managers and some departmental managers, trade union activities, changes in technology and legislation.

1.2 Research Problem

Human resource management practices aims at acquiring, improving and retaining an organization's most valuable asset, which is the human resources. These practices are human resource planning, recruitment, selection, training and development. Human resource planning helps an organization to evaluate the existing human resources, forecast future requirements and put in place an action plan to meet present and future needs (Armstrong, 2006). Performance management, employee reward practices, employee relations, safety and health practices as well as grievance and disciplinary practices help to enhance employee wellbeing, welfare and motivation and create

organizational competitive advantage leading to improved organizational performance (Cole, 2002).

Kericho Water and Sanitation Company limited is one of the water utilities that was formed as a result of water sector reforms. The company is charged with the responsibility of providing water and sewerage services to the residents of Kericho town and the surrounding environs. The focus of the company is to effectively and efficiently provide quality and reliable services at affordable costs to the customers. This mandate can only be realized by having in place skilled, highly competent and motivated workforce. The company's ultimate objective can be attained by having in place best human resource management practices and hence the researcher's rationale of seeking to identify the human resource management practices at Kericho Water and Sanitation Company limited.

Pfeffer (1994) identified sixteen practices which denote best practice. This was later refined to seven practices notably; security of employment, selective hiring, self-managed teams/team working, high compensation contingent on organizational performance, extensive training, reduction in status difference and sharing of information. Boxall, (1996); Lowe and Oliver (1991) and Pfeffer (1994) found out that those well-paid, well motivated workers, working in an atmosphere of mutuality and trust, generate higher productivity gains and lower unit costs. Redman and Matthews (1998) identify an 'Human Resource Management bundle' of key practices which support service organizations quality strategies, these included: Careful recruitment and selection that is total quality recruitment, extensive remuneration systems, team working and flexible job design ,training and learning, employee involvement and performance appraisals with links to contingent reward systems, for example, gathering customer feedback to recognize the work by employees over and above their expected duties, which in turn is likely to lead to a bonus for staff. Saxena and Tiwari (2009) examined the human resource management practices implemented by leading Information and Technology Companies such as TATA, Infosys and Wipro in India. They developed the 3cTER framework of human resource management practices and identified training and development, employer-employee relations, recognition through rewards, culture building, career development, compensation and benefits as important human resource

management practices. All these studies were carried out in different contexts from that of Kericho Water and Sanitation Company Limited and to the best of the researcher' knowledge no studies on human resource management practices has been carried out in the Company and thus the researcher's endeavour to answer the research objective; What are the human resource management practices in kericho water and Sanitation Company Limited?. The purpose of this study is therefore to identify the human resource management practices in kericho water and Sanitation Company Limited.

1.3 Research Objective

To identify the human resource management practices in Kericho Water and Sanitation Company.

1.4 Value of the study

The findings of this study will help the Management of Kericho Water and Sanitation Company to devise appropriate measures to address challenges in Human Resource Management practices in order to improve the overall company performance. The study will provide insights on how the challenges identified can be manipulated so as to become strengths and opportunities for the Company.

The study will be useful in reviewing the extend of compliance by Kericho Water and Sanitation Company to the legal requirements enshrined in the Constitution of Kenya (2010) and Labour Laws (2007) and other relevant legislations.

The findings of this study will add wealth of knowledge to the academic community hence stimulate further research with regards to human resource management practices in other sectors of the economy.

CHAPTER TWO: LITERATURE REVIEW

2.1   Introduction

This chapter outlines the theories underpinning the study, the human resource management practices namely; human resource planning, staff recruitment and selection, staff training and development, performance management, employee reward practices, employee relations practices, health and safety practices and discipline and grievance practices globally and in Kenya.

2.2   Theories Underpinning the Study

This study is based on the theories of motivation notably instrumentality, content and process theories. The instrumentality theory of motivation propounded by Taylor (1911) states that rewards and punishments (carrot and stick) serve as a means of ensuring that people behave or act in desired ways. The content theory of motivation comprising the need theory originated by Maslow (1954) and Herzberg et al (1957) two factor theory focuses on human needs. These theories state that motivation is essentially about taking action to satisfy needs and identifies the main needs that influence behavior. The process theory focuses on the psychological processes and affect motivation by reference to expectations (Vroom, 1964), goals (Latham and Locke, 1979) and perceptions of equity (Adams, 1965). Locke (1976), in his goal theory of motivation suggested that it is the goal that an individual is aiming for which motivates rather than just the satisfaction of attaining it. He indicates that individual performance was better when people had been set specific goals of a challenging or difficult nature and received feedback on their performance. The Equity theory of motivation suggests that people at work compare themselves with others doing similar work in similar circumstances and judge whether they are being fairly treated by comparison. Adams (1964) and his colleagues found that if employees thought that they were being treated equitably, their work effort was sustained, and if they thought they were not being treated equitably in relation to other comparable employees, then their effort declined.

2.3 Human Resource Management Practices

Research on human resource management practices has been conducted from time to time and researchers have identified different practices by different names. As quoted in Kok Jan de et al (2003), researchers variously refer to certain sets of human resource management practices influenced by the human resource management profession as "best practice," or "high-performance" (Huselid, 1995), "formal" (Aldrich and Langton, 1997; de Kok and Uhlaner, 2001; Heneman and Berkley,1999), "sophisticated" (Golhar and Deshpande, 1997; Hornsby and Kuratko, 1990; Goss et al., 1994; Wagner, 1998) or as "professional" (Gnan and Songini, 2003; Matlay, 1999). Pfeffer (1994; 1998), argued that the most appropriate term is "best human resource management Practices". According to Chandler and McEvoy (2000) one of the lingering questions in human resource management research is whether or not there is a single set of practices that represents a 'universally superior approach' to managing people . Theories on best practices or high commitment are in support of this point of view and suggest that certain human resource management practices, either separately or in combination are associated with improved organizational performance.

2.3.1 Human Resource Planning Practices

According to Armstrong (2010) human resource planning practices help an organization to determine the human resources required to achieve its strategic goals. Bulla and Scott (1994) holds that human resource planning practices are geared towards ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements. They are of the view that human resource planning is based on the belief that people are an organization's most important strategic resource and thus the essence of matching human resources to business needs in the longer term, although it may sometimes address shorter term requirements. The human resource planning practices address human resource needs both in quantitative and qualitative terms, which means answering two basic questions: first, how many people, and second, what sort of people? Human resource planning practices also looks at broader issues relating to the ways in which people are employed and developed in order to improve organizational effectiveness.

Human resource planning practices typically consist of three clear steps namely: Forecasting future people needs (demand forecasting); Forecasting the future availability of people (supply forecasting) and Drawing up plans to match supply to demand. Human resource planning practice today is more likely to concentrate on what skills will be needed in the future, and may do no more than provide a broad indication of the numbers required in the longer term, although in some circumstances it might involve making short term forecasts when it is possible to predict activity levels and skills requirements with a reasonable degree of accuracy. Such predictions will often be based on broad scenarios rather than on specific supply and demand forecasts (Beardwell et al., 2004). Human resource planning practices are guided by the state of demand for the organization's goods and services, the supply of people in the labour market and the time scale involved in respect of human resource requirements which may vary between at least six months to over two to five years period. Cole argues that four categories of staff are to be considered in human resource planning process. These are: the existing staff; new recruits; potential staff and leavers.

Wandere (2006) points out that human resource planning is an attempt to forecast how many and what kind of employees will be required in future and to what extent this demand is likely to be met. He indicates that the practice involves the comparison of an organization's current human resource with likely future needs and consequently, the establishment of programmes for hiring, training, redeploying and possibly discarding employees. The following steps in human resource planning were highlighted by Wandere; The first step is to determine/establish an organization's objectives, that is the end result that an organization is aiming at. For instance increasing sales by ten percent, increasing production, or reducing costs by a given percentage and so on. Most objectives cover products, markets and methods. The second step is to derive the demand for labour required to achieve the stated objective. This is done through projection of demand. Some of the methods used include regression analysis and correlation analysis. The third step is to compare the demand for and supply of human resources, that is both internal and external supply. Lastly, establish programmes for hiring, training, recruitment, redeploying and possibly discarding employees depending on the results obtained in the above steps.

Gupta (2011) holds that human resource planning practices are future oriented and involve looking forward or forecasting the future needs of an organization to meet a given objective in terms of human resources. It is a continuous process because demand for and supply of human resources frequently change. Human resource planning is dynamic and hence the need to review and revise the plan. It has both quantitative and qualitative aspects. Quantitative meaning the right number of employees and qualitative meaning employees with the right skills. The basic purpose of human resource planning practices is to make optimum utilization of the organization's current and future human resources. This maximizes the investment in human resources. It is also necessary to relate future human resources to future needs of the organization. Human resource planning practices is a responsibility of the management to ensure proper utilization of human resources. Human resource planning could be long term or short term. Long term plans cover a long period of time and could be five years or more on the basis of trends in the economy, labour markets and production. These reflect management thinking on the organization structure, business environment and personnel policies. Short term manpower plans cover time periods ranging from one year to less than five years (Wandere, 2006). Human resource planning practices helps an organization to curb labour shortfalls and surpluses hence reduce costs. In times of technological changes and turbulent environment which calls for competent and skilled employees, organizations should therefore plan for recruitment and selection to ensure that their employees match the current technology.

2.3.2 Staff Hiring Practices

Employees should be hired via sophisticated recruitment and selection procedures designed to screen out all but the very best potential employees. Indeed research indicates that selectivity in staffing is positively related to firm performance (Becker and Huselid, 1992; Schmidt et al., 1979). According to Cole (2002), the importance of having efficient and effective procedures for recruitment and selection can hardly be exaggerated. He points out that if organizations are able to find and employ staff who consistently fulfill their roles and are capable of taking on increased responsibilities, they are immeasurably better placed to deal with the opportunities and threats arising from their operating environments than competitors who are always struggling to build and

maintain their workforce. Cole asserts that these activities should be conducted in a manner that sustains or enhances the good reputation of the organization. According to Armstrong (2006), the overall aim of the recruitment and selection process should be to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the company. The three stages of recruitment and selection that are important to note are; defining requirements which entails preparing job descriptions and personnel specifications and deciding terms and conditions of employment; Secondly, attracting candidates, that is reviewing and evaluating alternative sources of applicants, inside and outside the company, advertising, using agencies and consultants and selecting candidates by sifting applications, interviewing, testing, assessing candidates, assessment centres, offering employment, obtaining references and preparing contracts of employment.

Cole (2002), points out that the first step in planning for the recruitment of employees into the organization is to establish adequate policies and procedures. A recruitment policy represents the organizations code of conduct in this area of activity. A typical recruitment policy for instance would focus on practices such as; internal advertisement of all vacancies first before going to the external market, replying to every applicant with minimum delay, aim to inform potential recruits in good faith about the basic details and job conditions of every job advertised, aim to process all applications with efficiency and courtesy and seek candidates on the basis of their qualifications for the vacancies concerned, promote equality of opportunity in employment and eliminate discrimination (Employment Act,2007). Person specification makes explicit the attributes that are sought in the candidates for the job in question (Torrington et al, 2008). Person specification is a summary of the most important knowledge, skills and personal characteristics required by the successful candidate in order to be able to carry out the job to acceptable standards of performance. The specification depends for its relevance on the nature and scope of the job as described in the job description and where necessary amplified by the line manager concerned. Cole (2002) indicates that Personnel specification and job descriptions form the basis of every job advertisement. According to Armstrong, (2006), the main selection methods are the interview, assessment centers and tests. He points out that individual interview is the most familiar method of selection. Selection boards are more formal and,

usually, larger than interviewing panels, convened by an official body because there are a number of parties interested in the selection decision. Their only advantage is that they enable a number of different people to have a look at the applicants and compare notes on the spot.

A more comprehensive approach to selection is provided by the use of assessment centers. These incorporate a range of assessment techniques and typically have the following features: The focus of the centre is on behavior, Exercises are used to capture and simulate the key dimensions of the job. These include one-to-one role-plays and group exercises. It is assumed that performance in these simulations predicts behaviour on the job, Interviews and tests will be used in addition to group exercises, Performance is measured in several dimensions in terms of the competencies required to achieve the target level of performance in a particular job or at a particular level in the organization, Several candidates or participants are assessed together to allow interaction and to make the experience more open and participative, Several assessors or observers are used in order to increase the objectivity of assessments. Involving senior managers is desirable to ensure that they 'own' the process. Assessors must be carefully trained (Armstrong, 2006).

Selection tests are used to provide more valid and reliable evidence of levels of intelligence, personality characteristics, abilities, aptitudes and attainments than can be obtained from an interview. (Armstrong, 2006). Fondo (2006) points out that in spite of increased competition and skills shortages, wasteful approaches in selection of employees are still evident in many organizations. He indicates that the procedures used for selecting staff for particular jobs are little more than a gamble. He further points out that candidates are placed in jobs even before they undergo intelligence quotient tests to match their personalities and abilities with their careers. This is sad because rather than organizations working to ensure that selection matches the right people with available vacancies, many let time to determine whether the hiring decision was right or wrong. Many surveys of recruitment and selection practices show that most companies rely on classic trio application blanks; ad hoc interviews and reference checks. Yet, these are among the least reliable and valid selection methods. Getting recruitment right the first time can result in benefits in the range of between 6% and 20% of the existing productivity levels.

Thus in small organizations, good personnel selection can mean the difference between success and failure (Fondo, 2006)**.**

2.3.3   Staff Training and Development Practices

Organizations can improve the quality of current employees by providing comprehensive training and development activities after selection. Considerable evidence suggests that investments in training produce beneficial organizational outcomes (Bartel, 1994; Knoke and Kalleberg, 1994; Russell et al, 1985). The training and development of employees is an issue that has to be faced by every organization. The amount and quality of training carried out varies enormously from one organization to another. The factors influencing the quantity and quality of training and development activities are diverse and include the degree of change in the external environment (for example technological change, new legislation), degree of internal change (for instance new processes, new markets), availability of suitable skills within the existing workforce, adaptability of the existing workforce and the extent to which the organization supports the idea of internal career development amongst other factors. Cole (2002), points out that many organizations meet their needs for training in an ad hoc and haphazard way. He indicates that training in these organizations is more or less unplanned and unsystematic and that other organizations set about identifying their training needs, then design training activities in a rational manner and finally assess the results of training. Such organizations are engaging in a systematic approach to training and development of their employees.

A systematic approach to training and development will generally follow a logical sequence of activities commencing with the establishment of a policy and the resources to sustain it, followed by an assessment of training needs, for which appropriate training is provided and ending with some form of evaluation and feedback (Dessler,2005).

Training philosophy is the basis upon which training policies should be developed. The training philosophy of an organization expresses the degree of importance it attaches to training (Armstrong, 1999). Some organizations adopt a laissez-faire approach believing that employees will find out what to do for themselves; others pay lip service while others have a positive training philosophy. Training policies are therefore expressions of the training philosophy of an organization. They provide guidelines on the amount of training that should be given to everyone in the organization (managerial, professional,

technical, supervisory and support staff), the proportion of turnover that should be allocated for training, the scope and aims of training schemes and the responsibility for training. Cole (2002) indicates that organizations adopting a systematic approach to training and development will usually set about defining their needs for training in accordance with a well organized procedure. Such a procedure will entail looking at training needs from a number of different perspectives namely; the organizational/corporate requirements, the department/function, the job/occupational group and the individual/employee level.

Training should be systematic in that it is specifically designed, planned and implemented to meet defined needs. It is provided by people who know how to train and the impact of training is carefully evaluated. The concept was originally developed for the industrial training boards in the 1960s and consists of a simple four-stage model that is; Identifying training needs, Decision on what sort of training is required to satisfy these needs, Use of experienced and trained trainers to implement training and Follow up and evaluation of training to ensure that it is effective (Armstrong, 2006). According to Gupta (2011), training plans are central to the training process. A training plan is a systematic statement of training intentions and the means by which they are to be achieved and measured. A plan may embrace the organization as a whole, or just a small part of it. A plan typically contain information on the training programme aims, training target groups, target numbers, programme contents, programme evaluation, administration and costing and the training staff.

Training programmes or events can be concerned with any of the following: manual skills; information technology skills; team leader or supervisory training; management training; interpersonal skills, for example leadership, teambuilding, group dynamics, neurolinguistic programming; personal skills, for example assertiveness, coaching, communicating, time management; training in organizational procedures or practices, for instance induction, health and safety, performance management, equal opportunity or managing diversity policy and practice. According to Dessler (2005), the training techniques used should be appropriate to the purpose of the course and to the characteristics of participants – their jobs, learning needs, previous experience, level of knowledge and skills, and how receptive they will be to being taught (motivated to learn). A blend of different techniques should be used where appropriate. It is particularly

important in management, supervisory and interpersonal skills training to provide ample time for participation and active learning through discussion, case studies and simulations. Lectures should form a minor part of the course. Good instructional techniques should be used in manual skills training.

The responsibility for training must lie with the senior management of the organization. However, training in practice is the direct responsibility of the personnel managers, training managers, training officers, instructors, line managers and supervisors. The nature and extent of involvement of each of the above groups depends on the policy and culture of the organization concerned (Cole, 2002). The principal options open to organizations in respect to the location of training are; external, off-the-job for example at a college, university or private training agency; external, on-the-job for example secondment or special project; in-company/in-service off-the-job such as using the organization's own training facilities and in-company/in-service on-the-job for instance use of guided experience in the workplace.

2.3.4   Performance Management Practices

According to Dessler (2005), performance management is a process which brings together many aspects of people management .It is about performance improvement at individual, team, department and organizational levels. One of the tools of performance management is the performance appraisal or personal development review. This is the formalized regular review of the individual's performance where potential is highlighted and training and development needs identified. This meeting should review performance against agreed criteria and measures based on expectations and objectives which are derived from the organization's business plan. The annual review should not be a top-down process which is done to the employee but an opportunity for two-way dialogues about performance in the past year, expectations and objectives for the coming year and any learning and development needs that may arise as a result. In many organizations, the annual review forms the basis of review of financial rewards and planned career progression.

A performance review system requires specific attention to be focused on a number of basic questions including who should feed back to the individual on their performance,

the frequency of reviews, whether there should be an open system, how it is integrated with other people management practices and how performance is going to be measured (Mullins, 2010).The traditional practice is for reviews to be carried out by the immediate manager or supervisor - as the person who allocates work and has the closest knowledge of the individual's duties and performance. There is, however, an argument in favour of review at a higher level. This would extend the lines of communication and feedback. This may also help to demonstrate 'fair play' and to overcome problems of individual managers or supervisors applying different standards. A third approach is for the immediate manager or supervisor to conduct the review and write a report. Senior management are then asked to comment, to monitor the system, to review consistency of reporting and to countersign as confirmation of approval. The review can also be undertaken by a member of the human resource department.

Majority of organizations conduct annual reviews, with interim reviews done half way through the year. For many organizations this may be sufficient. However, the frequency of reviews should be related to the nature of the organization, the purpose and objectives of the scheme and the characteristics of the staff employed. For some organizations, for example those operating in a dynamic, changing environment, more frequent reviews may be called for. More frequent reviews are also appropriate for new members of staff, those recently promoted or appointed to new position, or those whose past performance has not been up to the required standard (Mullins, 2010). Performance management should provide information about performance and progress against targets. It should allow for open dialogue and discussion so as to come to some agreement about the nature of the individual's performance and measures to be put in place to address the concerns. With an open system of dialogue and reporting, staff should be given the opportunity to sign the completed appraisal form and add any comments on their perception of the accuracy of the review. When decisions such as salary are based on the report there is greater demand for a transparent system so that individuals understand clearly the basis for decisions.

Mullins (2010), points out that in order to maintain the credibility of the performance management system and maintain goodwill, it is necessary to establish a formal appeals procedure which is clearly understood by all members of staff. Appeals should be made

to a manager in a more senior position than the reviewer or sometimes, where appropriate to the Human resource department or a representative committee. The appeals procedure should include provision for staff to be assisted, if requested, by a union or staff representative. According to Armstrong (2006), performance management can be described as a continuous self-renewing cycle. The main activities involved are role definition, the performance agreement or contract, the personal development plan, managing performance throughout the year and performance review. The foundation for performance management is a role profile that defines the role in terms of the key results expected, what role holders need to know and be able to do (competencies), and how they are expected to behave in terms of behavioural competencies and upholding the organization's core values. Role profiles need to be updated every time a formal performance agreement is developed.

Performance agreements form the basis for development, assessment and feedback in the performance management process. They define expectations in the form of a role profile that sets out role requirements in terms of key result areas and the competencies required for effective performance. The role profile provides the basis for agreeing objectives and methods of measuring performance and assessing the level of competency reached. The performance agreement incorporates any performance improvement plans that may be necessary, and a personal development plan. It describes what individuals are expected to do but also indicates what support they will receive from their manager. Performance agreements emerge from the analysis of role requirements and the performance review. An assessment of past performance leads to an analysis of future requirements. The two processes can take place at the same meeting (Armstrong, 2006).

2.3.5   Employee Reward Practices

Employee reward practices entail the design, implementation and maintenance of reward systems (reward processes, practices and procedures) that aim to meet the needs of both the organization and its stakeholders. Armstrong, (2006) asserts that reward management should be based on a well-articulated philosophy, which is a set of beliefs and guiding principles that are consistent with the values of the organization and which help to enact them. These include beliefs in the need to achieve fairness, equity, consistency and

transparency in operating the reward system. The philosophy should recognize that if human resource management is about investing in human capital from which a reasonable return is required, then it is proper to reward people differentially according to their contribution that is the return on investment they generate. According to Gupta (2011), there are three principal purposes of a payments policy in an organization notably to attract sufficient and suitable employees, to retain employees who are satisfactory and to reward employees for effort, loyalty, experience and achievement. These purposes have to be achieved within an agreed budget for wages, salaries and related payments. There are considerable variations in what organizations have to pay to ensure that they do attract, retain and motivate sufficient staff. The two most significant factors that influence rewards or pay in organizations are the state of the labour market and the nature of their operations. For example, organizations operating in a competitive labour market find that they have to pay a higher price for labour than those operating in a market characterized by a labour surplus that is high unemployment. The nature of the organization's work determines its requirements for particular categories of employees. Hence, organizations requiring relatively unskilled employees are usually able to pay lower wages than those whose operations require skilled or professional grades of employees.

Payment systems are not devised in an ideal world where every external factor works in the organization's interest. On the contrary, payment systems are subject to major influences from external forces. These external influences combined with internal issues such as productivity, produce a complex background against which to construct an effective payment system. For instance, the ability to pay, here Organizations vary in their ability to meet their wage and salary commitments, again through comparisons and benchmarking both employers and trade unions are bound to consider what comparable jobs are being paid elsewhere, the bargaining strength of the trade unions also influence the wages and salaries paid by organizations, the labour market conditions, the cost-of-living (inflation), government action, productivity and existing custom and practice, all influence payment systems to be adopted by an organization (Dessler,2005).

Beardwell et al. (2004) indicate that the total reward is the combination of financial and non-financial rewards available to employees whereas total remuneration is the value of all cash payments (total earnings) and benefits received by employees. The base rate is

the amount of pay (the fixed salary or wage) that constitutes the rate for the job. It may be varied according to the grade of the job or, for manual workers, the level of skill required. Base pay will be influenced by internal and external relativities. The internal relativities may be measured by some form of job evaluation. External relativities are assessed by tracking market rates. Alternatively, levels of pay may be agreed through collective bargaining with trade unions or by reaching individual agreements. Base pay may be expressed as an annual, weekly or hourly rate. For manual workers this may be called a 'time rate' system of payment. Allowances for overtime, shift working, unsocial hours or increased cost of living may be added to base pay. The base rate may be adjusted to reflect increases in the cost of living or market rates by the organization, unilaterally or by agreement with a trade union.

Jobs may be placed in a graded structure according to their relative size. Pay levels in the structure are influenced by market rates. The pay structure may consist of pay ranges attached to grades, which provide scope for pay progression based on performance, competence, contribution or service. Alternatively, a 'spot rate' structure may be used for all or some jobs in which no provision is made for pay progression in a job. Employee benefits include pensions, sick pay, insurance cover and company cars amongst others. They comprise elements of remuneration additional to the various forms of cash payments and also include provisions for employees that are not strictly remuneration, such as annual holidays (Armstrong, 2006).

2.3.6   Employee Relations Practices

According to Cole (2002), Employee relations refer to the interrelationships, both formal and informal, between managers and those whom they manage. Thus, employee relations has a wider scope than industrial relations, this is because the former is concerned with all aspects of the interrelationships between management and employees, whereas the latter is confined to the regulation of the relationship principally by means of collective bargaining. Employee relations embrace the contractual obligations between employer and employed; communications policy and practice; joint decision-making; joint problem-solving; collective bargaining; individual grievance and disciplinary policy and practice; social responsibility; employee development and employee welfare. Employee-

employer relations can be improved if an organization implements effective human resource management practices. Tzafrir et al. (2004) conducted a survey to find out the consequences of effective human resource management practices on employees trust. The result indicated a positive and significant influence of empowerment, organizational communication and procedural justice as determinants of employees trust in their managers. The result also indicated that procedural justice mediates the impact of employee development on their trust in their managers. The human resource management practices help the organization to increase mutual understanding between the employees and the employer. Guzzo and Noonan (1994) considered human resource management practices as a communication channel between employer and employees. Rousseau and Greller (1994) proposed human resource management practices as contract-shaping events.

The major parties to employee relations are primarily individual employees and their managers. However, there are other important stakeholders in management-employee relationships namely; the trade union representatives; Government and government bodies; Employers' association representatives; courts and tribunals. Each of these parties has a particular perspective to bear on the interrelationship between management and managed. Managers tend to see employee relations in terms of activities aimed at creating and maintaining employee motivation; obtaining commitment from the workforce; establishing mutually beneficial channels of communication throughout the organization; achieving high levels of efficiency; negotiating terms and conditions of employment with employee representatives; sharing decision-making with employees and engaging in a power struggle with trade unions. Employers association representatives would tend to share most of these views. The trade unionist view employee relations in terms of activities and practices such as collective bargaining about terms and conditions of employment; representing individuals and groups of individuals in conflict with their management; improving the ability of employees to influence events in the workplace and regulating relations with other trade unions. The individual employees tend to see employee relations in terms of the opportunity to: improve their conditions of employment; voice any grievances; exchange views and ideas with management and share in decision-making. Third parties, such as Government

ministers(ministries), arbitrators, judges and civil servants view employee relations in terms of: creating and maintaining harmonious relationships at work; creating a framework of rules of fair conduct in employer employee relations; representing the community as a whole in dealing with the repercussions of internal conflicts or decisions made within individual organizations; establishing peace-making arrangements to deal with breakdowns in employer-employee relations and achieving a prosperous society with justice (Gupta,2011).

Cole (2002) asserts that collective bargaining is a process whereby procedures are jointly agreed and wages and conditions of employment are settled by negotiation between employers, or associations of employers and workers' organizations.Collective bargaining emphasis on collective action and not on individual action. The concern is both on rule-making and the settlement of employment conditions. The aim is bargaining to reach agreement eventually. Here the interests of the parties to collective bargaining are not identical and therefore conflict of interests is assumed. The exercise is voluntary in nature and not imposed by law. The starting point of any collective bargaining is the process of recognizing one or more trade unions to act on behalf of the employees affected. Recognition gives trade unions a number of important statutory rights such as the right to information for collective bargaining purposes, the right to time off for trade union activities and the right to appoint safety representatives.

The collective agreements between employers and employees are usually divided into two categories namely; procedural agreements and substantive agreements. Procedural agreements constitute the foundation stones of collective bargaining. They lay down the rules of behavior which the parties should adhere to in their relationships with each other. Matters covered by procedural agreements include: negotiating rights for unions; scope of subjects for collective bargaining (what is negotiable); union membership (categories of employees to be covered); numbers and rights of union representatives; procedures to be followed in the case of a dispute between the parties and grievance and disciplinary procedures.

Cole (2004), indicates that substantive agreements, by comparison, deal with the substance of employee relations that is the actual terms and conditions of employment in

particular; pay (wages and salaries); hours of work including shift work; holiday entitlements; benefits, such as pension schemes, accident insurance, profit sharing; staffing arrangements, establishments and arrangement in case of redundancy or dismissal. Substantive agreements are usually re-negotiated every one or two years, but procedural agreements are negotiated only as and when the parties feel the need to change or clarify the rules. Most procedural agreements require either side to give several months' notice of variation or termination of the agreement, whereas most substantive agreements run out automatically at the end of the period concerned.

Cole (2002), outlines the importance of keeping employees informed about general matters affecting their work-role, that it contributes to increased understanding of management's actions, reduces misunderstanding arising from day-to-day activities and improves trust between employers and employees. Communication, however, is a two-way process. It is a mutual interchange of ideas, feelings and opinions. Thus, in organizations provision needs to be made for upward as well as for downward communication. Whether communication channels are vertical, horizontal or both, decisions must be made about the methods of communication to be used.

Broadly speaking, employee participation is about involving employees in the affairs of the organization. However, the extent to which they should be encouraged or indeed permitted to do so is a matter of considerable debate. The alternatives or options available are: share options/profit-related pay, consultation, job enrichment, participative management, collective bargaining, work councils, board representation and work cooperatives. Participative management implies that all employees will be encouraged to play a part in the decisions affecting their work. Armstrong (2006) holds that employee participation and empowerment generally creates a climate of trust and fosters justice in organizations. People will feel that they have been treated justly if management's decisions and procedures are fair, consistent, transparent, non-discriminatory and properly consider the views and needs of employees.

2.3.7 Health and Safety Management Practices

Written health and safety policies are required to demonstrate that top management is concerned about the protection of the organization's employees from hazards at work and

to indicate how this protection will be provided. They are, therefore, first, a declaration of intent, second, a definition of the means by which that intent will be realized, and third, a statement of the guidelines that should be followed by everyone concerned, which means all employees, in implementing the policy (Armstrong, 2006).

The general policy statement should be a declaration of the intention of the employer to safeguard the health and safety of employees. It should emphasize four fundamental points, that is the safety of employees and the public is of paramount importance and that safety takes precedence over expediency. That every effort will be made to involve all managers, team leaders and employees in the development and implementation of health and safety procedures and that health and safety legislation will be complied with in the spirit as well as the letter of the law. Dessler (2005) points out that an employer has common law duty to provide a safe place of work for his employees, and is liable at common law for accidents caused by his employees in the course of their employment.

The principal statutory duties of employers arise from the Factories Act, 1961; Offices, Shops and Railways Premises Act, 1963, Health and Safety at Work Act, 1974 and Occupational Health and Safety Act (2007). The statutory duties include specific duties towards members of the public affected by the employer's activities and employees of other employers working on his premises as well as towards his own employees. Every employer is obligated by law to take out employers' liability insurance to cover accidents and injury to his employees. The employers' common law duties are categorized under the following headings: the provision of a safe place of employment, so far as is reasonable in all the circumstances; the provision of safe means of access to work; the provision of safe systems of working; the provision of adequate equipment, materials and clothing to enable employees to carry out their work safely; the provision of competent fellow workers and duty of care to ensure that employees are not subjected to any unreasonable risks in the workplace.

The Health and safety policy statement should underline the ultimate responsibility of top management for the health and safety performance of the organization. It should then indicate how key management personnel are held accountable for performance in their areas. The role of safety representatives and safety committees should be defined, and the

duties of specialists such as the safety adviser and the medical officer should be summarized. Risk assessments are concerned with the identification of hazards and the analysis of the risks attached to them. Health and safety audits provide for a much more comprehensive review of all aspects of health and safety policies, and procedures and practices programmes. Saunders (1992) holds that a safety audit will examine the whole organisation in order to test whether it is meeting its safety aims and objectives. It will examine hierarchies, safety planning processes, decision-making, delegation, policy-making and implementation as well as all areas of safety programme planning.

Health and safety training is a key part of the preventative programme. It should start as part of the induction course. It should also take place following a transfer to a new job or a change in working methods. Safety training spells out the rules and provides information on potential hazards and how to avoid them. Further refresher training should be provided and special courses laid on how to deal with new aspects of health and safety or areas in which safety problems have emerged. Health and safety concerns everyone in an establishment although the main responsibility lies with management in general and individual managers in particular (Occupational Health and Safety Act, 2007).

Armstrong (2006) indicates that the control of noise, fatigue and stress is important in enhancing a conducive work environment. Control of stress should be regarded as a major part of any occupational health programme. There are four main reasons why organizations should take account of stress and do something about it. They have the social responsibility to provide a good quality of working life; Excessive stress causes illness; Stress can result in inability to cope with the demands of the job and more so Excessive stress can reduce employee effectiveness and therefore organizational performance. The ways in which stress can be managed by an organization include: job design that entails clarifying roles, reducing the danger of role ambiguity and conflict and giving people more autonomy within a defined structure to manage their responsibilities. It is also important to have targets and performance standards in place, this involves setting reasonable and achievable targets which may stretch people but do not place impossible burdens on them. Good staff placement practices that is taking care to place people in jobs that are within their capabilities and having good career development programmes that is planning careers and promoting staff in accordance with their

capabilities, taking care not to over- or under-promote will help reduce or minimize stress amongst employees.

Counseling sessions aimed at giving individuals the opportunity to talk about their problems with a member of the personnel department or the company medical officer, or through an employee assistance programme and work–life balance policies which take account of the pressures on employees who have responsibilities as parents, partners or careers, and which can include such provisions as special leave and flexible working hours are all crucial practices in stress management (Armstrong, 2006).

2.3.8 Discipline and Grievance Management Practices

Protecting employees from arbitrary treatment through formal disciplinary and grievance procedures will motivate them to work harder (Ichniowski, 1986; Ichniowski et al, 1994). A firm's disciplinary policy should therefore state that employees have the right to know what is expected of them and what could happen if they infringe the organization's rules. It would also make the point that, in handling disciplinary cases, the organization will treat employees in accordance with the principles of natural justice. The policy on grievances on the other hand should state that employees have the right to raise their grievances with their manager and to be accompanied by a representative if they so wish, and to appeal to a higher level if they feel that their grievance has not been resolved satisfactorily (Dessler,2005).

Disciplinary procedures set out the stages through which any disciplinary action should proceed. For instance, if a disciplinary action has to be taken against an employee, it should be undertaken only in cases where good reason and clear evidence of an offence or misconduct exist and the action taken should be appropriate to the nature of the offence that has been committed. It should be demonstrably fair and consistent with previous action in similar circumstances and take place only when employees are aware of the standards that are expected of them or the rules with which they are required to conform. An employee has a right to be represented by a representative or colleague during any formal proceedings and more so a right to know exactly what charges are being made against them and to respond to those charges if they so wish. An employee also has a right of appeal against any disciplinary action taken.

Armstrong (2006) highlights the stages of a typical disciplinary procedure carried out by most organizations: The first stage would involve Informal warning, here a verbal or informal warning is given to the employee in the first instance or instances of minor offences. The warning is administered by the employee's immediate team leader or manager. The second stage involves a Formal warning. In this case a written formal warning is given to the employee in the first instance of more serious offences or after repeated instances of minor offences. The warning is administered by the employee's immediate team leader or manager – it states the exact nature of the offence and indicates any future disciplinary action which will be taken against the employee if the offence is repeated within a specified time limit. A copy of the written warning is placed in the employee's personnel record file but is destroyed twelve (12) months after the date on which it was given, if the intervening service has been satisfactory. The employee is required to read and sign the formal warning and has the right to appeal to higher management if he or she thinks the warning is unjustified. The Human Resource manager should be asked to advice on the text of the written warning.

The third stage would focus on further disciplinary action, that is, if despite previous warnings, an employee still fails to reach the required standards in a reasonable period of time, it may become necessary to consider further disciplinary action. The action taken may be up to three days' suspension without pay, or dismissal. In either case the departmental manager should discuss the matter with the personnel manager before taking action. Staff below the rank of departmental manager may only recommend disciplinary action to higher management. Disciplinary action should not be confirmed until the appeal procedure has been carried out and concluded. An employee may be summarily dismissed that is given instant dismissal without notice only in the event of gross misconduct (Employment Act, 2007) and as defined in an organization's rules. Only departmental managers and above can recommend summary dismissal, and the action should not be finalized until the case has been discussed with the Human Resource Manager and the appeal procedure has been carried out. To enable this review to take place, employees should be suspended pending further investigation, which must take place within twenty four (24) hours or any other reasonable period of time (Armstrong, 1999).

Grievance procedures spell out the policy on handling grievances and the approach to dealing with them. A typical grievance policy highlights the following issues: That an employee be given a fair hearing by their immediate supervisor or manager concerning any grievances they may wish to raise and that he/she has a right to appeal to a more senior manager against a decision made by their immediate supervisor or manager. An employee also has a right to be accompanied by a fellow employee of their own choice, when raising a grievance or appealing against a decision. The aim of the procedure is to settle the grievance as nearly as possible to its point of origin.

The main stages through which a grievance may be raised highlighted by Armstrong (2006) are as follows: The employee raises the matter with his or her immediate team leader or manager and may be accompanied by a fellow employee of his or her own choice. If the employee is not satisfied with the decision, the employee requests a meeting with a member of management who is more senior than the team leader or manager who initially heard the grievance. This meeting takes place within five working days of the request and is attended by the manager, the manager responsible for personnel, the employee appealing against the decision, and, if desired, his or her representative. The manager responsible for personnel records the result of the meeting in writing and issues copies to all concerned. If the employee is still not satisfied with the decision, he or she may appeal to the appropriate director. The meeting to hear this appeal is held within five working days of the request and is attended by the director, the manager responsible for personnel, the employee making the appeal, and, if desired, his or her representative. The manager responsible for personnel records the results of this meeting in writing and issues copies to all concerned.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

The chapter outlines the research design, the data collection, data analysis and presentation techniques.

3.2 Research Design

The study was conducted using case study research design. A case study is a research methodology common in social science. It is based on an in-depth investigation of a single individual, group, institution or phenomenon (Mugenda and Mugenda, 2003). Case studies may be descriptive or explanatory. The latter type is used to explore causation in order to find underlying principles. The primary advantage of this design is that it makes a detailed examination of a single subject, group or phenomenon and consequently provides much more detailed information, insights and better understanding of a phenomenon or subject matter being investigated than what is available through other methods such as surveys. (Neal et al, 2006). Case studies also allow one to present data collected from multiple methods such as surveys, interviews, document review and observation to provide a unique and a complete story.

3.3 Data Collection

The researcher collected both primary and secondary data. Primary data was collected from the Managing Director, the Human Resource Manager, the Technical Services Manager and the Information Communication and Technology Manager using the interview guide. Other managers notably; the Commercial and Finance Manager, the Internal Auditor and the Procurement Manager were not available for the interview because of their work schedule. The interview guide was structured into two sections: Section A, collected general information about the respondents while Section B, focused on identifying and collecting data on the human resource management practices in Kericho Water and Sanitation Company. Secondary data was collected by reviewing the Company's Strategic Plan (2013-2017), the Human Resource Procedures Manual, the Collective Bargaining Agreement (CBA) and the Budget Estimates 2012/13 and 2013/14, Annual reports, Newsletters, and the Company' official website.

3.4 Data Analysis

Content analysis was used because of the qualitative nature of the data collected through the interview guide. The technique was less tedious, economical in terms of time and cost and errors which arose during the study were easily detected and corrected. The process of data analysis involved data clean up. The data was checked for any errors and omissions. The collected data was also examined for comprehensibility, consistency and reliability. Responses were checked for reliability by comparing the primary data collected from the respondents and the secondary data collected. The data was summarized and arranged into logical groups, analyzed and presented using qualitative description in line with the objectives of the study.

CHAPTER FOUR: DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter outlines the analysis of the data obtained and the findings of the study. The data was analyzed in line with the research objective of the study which was to identify the human resource management practices in Kericho Water and Sanitation Company Limited, Kenya.

4.2 Response Rate

The study targeted to interview seven senior managers of the company notably; Managing Director, Human Resource Manager, Commercial and Finance Manager, Technical Manager, Internal Audit Manager, ICT Manager and the Procurement Manager. However, only four Managers out of seven were interviewed, they included; Managing Director, Human Resource Manager, Technical Manager and ICT Manager. The other Managers earmarked for the interview were unavailable because of their work schedules. The data collected was then analyzed as outlined below.

4.3 Demographic characteristics of the Respondents

4.3.1 Gender of the Respondents

Three out of the four respondents interviewed were men.

4.3.2 Age of the Respondents

The findings revealed that all the respondents were youthful in age. The Managing Director and the ICT Manager falling in the age bracket of 31-40 years while the Technical Manager and Human Resource Manager falling in the age bracket of 20-30 years.

4.3.3 Highest Level of Education of the Respondents

All the respondents had attained Masters level of education with the Managing Director pursuing a PhD programme in environmental engineering.

4.3.4 Length of Service of the Respondents

The Managing Director and the ICT Manager indicated that they had worked in the company for a period of 2-4 years while the Technical Manager and Human Resource Manager indicated that they had worked for 0-1 year (less than one year) in the company.

4.4   Human Resource Management Practices

The human resource management practices data was collected from the respondents and analysis of the company policy documents was also done. The documents analyzed included; the Strategic Plan, the Human Resource Procedures Manual, the Collective Bargaining Agreement (CBA) and the company Budget Estimates for 2013/14 and 2014/15 Financial years.

The company undertakes human resource planning as indicated in the strategic plan for the period 2013-2017.The focus of Kericho Water and Sanitation Company in the period is to ensure that an optimal, motivated and productive workforce is in place. To achieve this objective, staff analysis by age and education level is scheduled to be carried out. Staff training and development as well as Job evaluation and Organizational review are also planned to be undertaken during the period in question. All the respondents were of the view that Kericho Water and Sanitation Company carried out staff recruitment and selection in a transparent manner and that merit was highly considered in the process. They indicated that a consultant was normally engaged by the company to oversee the entire process. The Human Resource Procedures Manual revealed that the company is committed to hiring quality staff regardless of gender, race, creed, marital status or geographical boundaries. The Manual outlines a detailed procedure of recruitment and selection guiding the company's management and thus making it an equal opportunity employer. On the question of whether potential employees are given a realistic job preview that is the pleasant and unpleasant attributes of the job, all the respondents indicated that a detailed job description in the form of the job advertisement was provided. They held that only the positive aspects of the job in question is highlighted and not the negative aspects of the job. The Human Resource Manual indicated that the job description and the induction program were the key sources of information provided to new and potential employees respectively in regard to job preview.

It was found out that training needs analysis was carried out by the company annually. This function was however done by the human resource department and the other key departments did not fully participate and thus not effectively carried out so as to meet its intended purpose. The Company's Strategic Plan (2013-2017) indicated that a training needs analysis was to be carried out by a consultant and a three year training plan be developed. The Human Resource Procedures Manual however, revealed that training needs analysis is a function of the company's training committee with guidance and support of the human resource department. The training committee comprises of six members of staff drawn from the different sections of the company and are skilled and trained in different functional fields.

The study found out that Kericho Water and Sanitation Company Limited has sponsored and facilitated several staff trainings focusing on technical skills enhancement, geographical information systems (GIS), computer literacy skills, culture change and customer care. The actual training and development expenditure for financial year 2013/14 was Kshs.1, 233,650 against a budget estimate of Kshs.1, 800,000. This was however low considering the company's annual turnover of approximately Kshs.120,000,000. The respondents indicated that training programmes on culture change, ethics and safety and health at work were scheduled to be carried out in the financial year 2014/15.They also pointed out that the company benefits from training programmes sponsored by development partners and supporting agencies. On the question of whether a training calendar was in place in the company, the respondents gave conflicting responses. Two respondents indicated that training programs were rolled out in an ad hoc manner and two respondents indicated that a calendar was in place. This document was however not availed to the researcher for analysis.

It was found out that clear, challenging and realistic targets were given to all the staff of the company. The Managing Director signs performance targets with the Corporate Management Team (CMT) annually. The Corporate Management Team then cascades the targets to the Section heads and lower cadre staff for implementation. Prior to signing of the targets, the respondents pointed out that discussions between the parties involved takes place and once an agreement and a consensus is reached, they are signed. On the question of whether staff performance appraisals are openly and objectively carried out,

the respondents indicated that performance review for the top level management that is Corporate Management Team and Section heads was fair, open and objective but not so for the lower cadre staff. They were of the view that most of the line managers and supervisory staff did not carry out the exercise openly and objectively for reasons ranging from capacity challenges, leadership challenges, unethical behavior and collusion in corrupt activities. All the respondents pointed out that performance appraisals are used by Kericho Water and Sanitation Company for promotion, training and to review staff earnings. The Human Resource Procedures Manual and the Collective Bargaining Agreement (CBA) between Kericho Water and Sanitation Company and Kenya County Government Workers Union outlines a detailed procedure of undertaking performance appraisal and the essence of the practice.

The respondents indicated that the staff reward practices in the company were adequate and fair though improvements and other rewarding schemes and practices were being pursued. They pointed out that each employee has a stated basic monthly salary plus cash allowances entitled to the position or the salary grade of the employee. The salaries are paid in monthly arrears. Each employee enjoys the following benefits; House allowance, per diem/ subsistence allowance, annual leave allowance, group personal accident insurance, group life assurance scheme, pension scheme and medical scheme. The Human Resource Procedures Manual states that it is the company's policy to provide a fair and equitable pay to employees based on best local market practices and individual performance in order to attract, motivate and retain committed and competent employees required to accomplish the business mission. It was also established that Kericho Water and Sanitation Company carry out salary review periodically. The salary review according to the respondents was done based on the Collective Bargaining Agreement (CBA) which is negotiated with the unionizable employees every two years. It was also found out that the salaries and accompanying benefits for the senior staff (non-unionizable) was reviewed based on the performance targets set.

The interviewees confirmed that the company regularly consulted and involved the employees in decision making on matters which directly affected them. The respondents indicated that the corporate management team (CMT) raised and discussed issues of concern in their own meetings and thereafter consulted and involved the union

representatives before making any decision affecting the employees. The interviewees also indicated that monthly staff meetings were in place. These staff forums are meant to exchange views and ideas that is between management and staff. The respondents also confirmed that proper channels of communication existed in the company and this was based on the reporting lines embedded in the Organization Chart and that a Communication Policy was being developed. It was found out that the company did not have a suggestion box and one was being worked on.

The respondents confirmed that the Staff safety and health practices in place are satisfactory. It was established that Occupational Safety and Health Policy was in place and Occupational Safety and Health Committee had been constituted to oversee safety and health practices in the company. The interviewees indicated that protective clothing was procured and issued to all the staff whose work conditions require their use but attested that the issue of enforcement that is ensuring that they are used by the employees has been somewhat challenging. The interviewees indicated that some employees complained that wearing certain protective gear makes them uncomfortable and inefficient to carry out their assigned duties and thus avoided using the gadgets in total disregard of the risks posed by the work and work environment for instance while unblocking some sewer lines, mixing of water treatment chemicals and even while riding company motorcycles. The budgeted estimates for staff medical insurance, HIV and Aids program, staff immunization for financial year 2014/15 is Ksh.3,000,000.

The Human resource procedures manual states in part that employees of Kericho Water and Sanitation Company are expected to adhere to high standards of work performance and display a high standard of personal behavior. This includes courtesy to callers and visitors, confidentiality, respect for supervisors/managers, the Board members and the general public. It also includes wearing of clean proper attire, keeping offices tidy and leaving toilets clean after use. In the event of violation, breach or disagreement between the employer and the employees in respect of the rights and obligations, the respondents explained that Kericho Water and Sanitation Company had put in place an elaborate, fair and objective disciplinary and grievance procedure. The Human Resource Procedures Manual and the Collective Bargaining Agreement has outlined in detail how disciplinary and grievances were handled by the company. It was established that the unionizable

employees' disciplinary and grievance procedures are covered by the Collective Bargaining Agreement and that this was in line with the provisions of the constitution and employment Act. The interviewees indicated that the senior cadre employees (management) disciplinary and grievances was however not fair and objective compared to those of unionizable staff because of lack of representation.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter covers summary of the findings, conclusions and recommendation. The chapter concludes with limitations of the study and suggestions for further research.

5.2 Summary

The objective of the study was to identify the human resource management practices in Kericho Water and Sanitation Company Limited. The researcher found out that the company had put in place satisfactory practices in all the human resource management functional areas. Human resource planning, staff recruitment and selection as well as training and development were established to be very good given that reputable consultants were engaged by the company to undertake and advice the company on best practice. Consultants, it was cited by the respondents give professional advice and are independent in their point of view. The attributes of the respondents namely their educational level, age and length of time they have worked for Kericho Water and Sanitation Company points out that the company has embraced sound human resource management practices.

It was also established that staff training and development was good given that it was based on the company's needs as revealed by the training needs analysis, the existence of the training committee to steer training and development programmes and the budgetary allocations in the company's budget estimates. Performance management was also established to be satisfactory given that performance targets were discussed and set by the parties involved at the beginning of the financial year and review was continuous with formal appraisal being held at the close of the financial year. Employee reward practices was found to be very good, attractive, fair and equitable given that Kericho Water and Sanitation Company benchmarked its remuneration structure with the best companies in the sector. The annual salary review for management based on performance and two year interval review for unionizable staff points to the fact that the company is dynamic and responsive to the changing business environment. Employee relations and communication was also found to be good because it accorded a two-way communication channel enabling staff have an opportunity to talk freely and frankly to the management

as outlined in the Human Resource Procedures Manual. The occupational safety and health practices are satisfactory with the focus of the company being to provide a safe and healthy place of work though needs some improvement as indicated by the respondents. Disciplinary and grievance practices are good and needs to be improved for the senior cadre staff as indicated by some respondents.

5.3 Conclusions

Based on the findings, the researcher concluded that Kericho Water and Sanitation Company Limited value its employees as demonstrated by the human resource management practices it has employed. The company in its endeavour to be a model institution in water and sewerage services provision strives to benchmark its practices against the best practices in human resource management both within the country, regionally and also globally.

5.4 Recommendations

The weaknesses and challenges noted in respect to non involvement of the key departmental heads and line managers when carrying out training needs analysis needs to be addressed by the company, even where a consultant has been engaged. The input of these officers is still crucial for the assessment to be effective. The training program needs to be prepared and widely circulated in the company detailing training programmes to be rolled out and staff nominated. This facilitates staff replacement and timely planning by the line managers. Performance appraisal should be improved for the lower cadre staff so that it becomes fair, open and objective. The capacity, leadership and unethical challenges depicted by some line managers and supervisors in respect to staff appraisal should be addressed by the top management. The occupational safety and health practices should be enforced as enshrined in the occupational safety and health Act and awareness be created amongst the staff on its importance.

5.5 Limitations of the Study

Some of the limitations encountered during data collection included; Managers are ordinarily very busy and getting them for an interview session was not easy. Secondly, some of the managers were not free to give information related to human resource

management practices or even to avail the requested documents to facilitate content analysis. The senior managers were only interviewed and their responses and views may not be the same as those of the lower cadre staff in regard to human resource management practices in Kericho Water and Sanitation Company Limited.

5.6 Suggestions for Further Research

The researcher suggests further research in the field of human resource management practices in other sectors of the economy given the uniqueness of the different sectors and the changing circumstances in the business environment. More studies is also suggested to be done in Kericho Water and Sanitation Company Limited so as to ascertain the challenges encountered in the implementation of best human resource management practices.

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APPENDICES

Appendix I: Letter of Introduction

UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

P.O. BOX 30197 NAIROBI

Date: 14th August, 2014**.**

<u>TO WHOM IT MAY CONCERN</u>

The bearer of this letter Mr. Charles Kibet Chirchir.

 REGISTRATION NO: D61/60116/2011.

The above named student is in the Master of Business Administration Degree program. As part of requirements for the course, he is expected to carry out a study on "**Human Resource Management Practices in Kericho Water and Sanitation Company Limited, Kenya".**

He has identified your organization for that purpose. This is to kindly to request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

MR. ALEX JALEHA

COORDINATOR, SOB, KISUMU CAMPUS

Appendix II: Interview Guide

PART A: Demographic characteristics of the Respondents.

1. Name:(Optional)……………………………………………………………

2. When did you join Kericho water and Sanitation Company? ………………….

3. What is your current position?

Managing Director	
Human resource manager	
Finance manager	
Others (specify)	

4. How old are you?

20-30 years	
31-40 years	
40-50 years	
Above 50 years	

5. Gender

Male	
Female	

6. What is your highest level of education?

Masters degree	
Bachelors degree	
Certificate	
Others (specify)	

7. How long have you worked at Kericho water and Sanitation Company?

0 - 1 year	
2 - 4 years	
4 - 6 years	
6 - 8 years	
Over 8 years	

PART B: Human resource management practices.

8. Does Kericho water and Sanitation Company obtain its new employees through a reputable and objective recruitment process?

9. When hiring, are new employees given a realistic job preview?

10. Is training needs analysis carried out before employees are trained by the company?

11. Have staffs attended several trainings organized by the company?

12. Does the Human Resource Department have a formal training calendar?

13. Are staffs given clear, challenging, and realistic targets by the company?

14. Are performance appraisals openly and objectively carried out by the supervisors and line managers based on the set targets?

15. Are performance appraisals used by the company for promotion, training and to review staff earnings?

16. Are staff reward practices in the company adequate and fair?

17. Does Kericho water and Sanitation Company regularly review staff salaries and wages?

18. Are employees in the company regularly consulted and involved in decision making?

19. Do proper channels of communication exist at Kericho Water and Sanitation Company?

20. Does Kericho water and Sanitation Company have a staff suggestion box?

21. Are staff safety and health practices satisfactory at Kericho Water and Sanitation Company?

22. Has the company put in place fair and objective disciplinary and grievance procedures?