

**THE EXTENT OF ADOPTION OF STRATEGIC HUMAN
RESOURCE MANAGEMENT PRACTICES AMONG CEMENT
MANUFACTURING COMPANIES IN MACHAKOS COUNTY,
KENYA**

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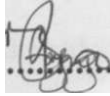
**A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENT FOR THE AWARD OF DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (MBA) SCHOOL OF BUSINESS,
UNIVERSITY OF NAIROBI**

NOVEMBER 2012

DECLARATION

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

Signed




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10/11/2012

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This management research project has been submitted for examination with my approval for examination as the University Supervisor.

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ACKNOWLEDGEMENT

My special gratitude first goes to God Almighty for giving me the strength and wisdom to complete this process. I can't get the right words to thank my supervisor, Mr. George Omondi from the School of Business University of Nairobi for his patience, guidance and throughout this process. I must also appreciate the knowledge and skills that all my other lecturers have impacted in me through class work. Special thanks to my group members in class for their encouragements and guidance throughout this process. My sincere appreciation also go to the human resource managers among the cement manufacturing companies in Machakos county who were the respondents of this study for their valuable responses and time they accorded me to ensure the process was a success.



DEDICATION

To my loving parents, Dorice Anyango and Aggrey Obiero, siblings, relatives, friends and classmates for their love, support and encouragement during the whole process.

ABSTRACT

The adoption of strategic human resource management practices enables strategic decisions to be made by management that have major and long term impact on behavior, profitability and success of the organization. This is can be achieved by ensuring that organizations have skilled, committed and well motivated employees to achieve their objectives. Cement companies are expected to play a vital role in realizing vision 2030 which realizes millennium development goals. Despite this noble role, a closer look at the operations of cement companies reveals that they face challenges related to strategic human resource management practices.

The objective of this study was to establish the extent of adoption strategic human resource management practices among cement manufacturing companies in Machakos County. The study included strategic human resource management practices such as human resource planning, recruitment and selection, training and development, performance management, compensation, employee relations and employee termination.

The study adopted a cross-sectional descriptive census survey design .The study population consisted of 5 cement companies in Machakos county. The study was carried out through a survey because of the cross-sectional nature of the data collected. Primary data collection was done through the use of a structured questionnaire and the respondents included the heads of human resource departments.

Data was analyzed using descriptive statistics and presented in percentages, simple tables, charts and bar graph. The study found out that the cement manufacturing companies in Machakos county have adopted strategic human resource management practices to a great extent and recommends that the same studies be conducted on other manufacturing firms.

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CHAPTER ONE: INTRODUCTION

1.1. Background of the study

Human resource management is a distinctive approach to employment management which seeks to achieve competitive advantage through strategic development of highly committed and capable workforce, through using integrated array of cultural, structural and personnel techniques Storey (2001). According to Fisher (2003) human resource management involves all decisions and practices that directly affect or influence the people or human resources who work for the organization.

Various approaches have been used to explain the effectiveness of human resource management practices in relation to firm performance which is the ultimate corporate objective of any organization. These approaches include: universalistic, contingency and configurational approach (Delery and Doty, 1996). Researchers in the universalistic perspective are micro-analytical in nature and posit that some human resource practices are always better than others and that all organizations should adopt these practices. The universalistic scholars assumes that strategic human resource management practices can help firms improve their human resource cost benefits; promote operating efficiency, increase innovation and revolution ability and organizational performance benefit (Dyer and Reeves 1995).

Delery and Doty Delery and Doty (1996) identified seven such practices that have been consistently considered strategic human resource management practices. They defined strategic human resource management practices as those that are "theoretically or empirically related to overall organizational performance". These practices included internal career opportunities, formal training systems, results-oriented appraisals, employment security, participation, job descriptions, and profit sharing. This approach has come to be known as the "best practices" or

universalistic approach. Pfeffer 1994 identified seven most influential best practices. These practices included employment security, selective hiring, and self managed team, provision of high pay contingent on company performance, extensive training, and reduction of status differences and sharing of information. In contrast with universalistic thinking, contingency approach argued that human resource strategy would be more effective only when appropriately integrated with specific organizational and environmental context. The concern was with both internal and external fit and how to achieve such fitness of the human resource practices and various organizational and environmental factors. For example some scholars have attempted to demonstrate how certain human resource practices are consistent with different strategic positions and how these practices related to the achievement of the corporate objective (Schuler and Jackson, 2007). According to the configurational approach, in order to be effective, an organization must develop a human resource system that achieves both horizontal and vertical fit. Horizontal fit referred to the internal consistency of the organization's human resource practices and vertical referred to the congruence of the human resource systems with other organizational characteristics, such as a firm's strategy (Delery and Dotty, 1996).

1.1.1. Strategic human resource management

Strategic human resource management has been defined as aligning of human resource function of a firm with its overall strategic goals and objectives. Other definitions include; Dessler (2007) defined strategic human resource management as formulating and executing human resource policies and practices that produce the employee competencies and behaviors the company needs to achieve its strategic aims. According to Hendry (1986) strategic human resource management is an approach to the strategic management of human resource in accordance with the intentions of the organization on the future direction it wants to take

Trends such as globalization, technological advances and deregulation have necessitated companies to be more competitive today. Other important trends include growing workforce diversity and changes in the nature of work such as the movement towards a service society and a growing emphasis on human capital. For human resource managers, the focus on competitiveness and productivity demands measurability. Management expects human resource to provide measurable benchmark-based evidence regarding human resource current efficiency and effectiveness of its new or proposed programs.

Strategic human resource management has enabled strategic decision to be made that have long-term impact on the behavior and success of the organization by ensuring that the organizations have skilled, committed and well motivated employees it needs to achieve its objective and sustained competitive advantage. It builds upon the idea that human capital is one of the most critical components of strategic success for many companies. Strategic human resource management is therefore important in that a firm which adopts them, adapts to change quickly, meets customer's demands and achieves high financial performance by executing its strategy.

1.1.2. Strategic human resource management practices

Strategic human resource management practice is an approach by the management of organizations most valued asset; the people working there who individually and collectively contribute to the achievement of its goals (Storey, 1995). Strategic human resource management practice is a distinctive approach to employment management which seeks to obtain competitive advantage through strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and people management techniques. Strategic human resource management practices include; human resource planning, recruitment and selection, performance management, training and development, compensation, employment relations and employee termination.

Human resource planning involves gathering of information, making objectives, and making decisions to enable the organization achieve its objectives Weeratunga, (2003). Human resource **planning** involves assessing the future business needs, deciding on the numbers and type of **people** required and preparing plans for obtaining them from within or outside the organization. If **the** required expertise is not available internally among the cement firm, then consultancy firms are hired to do recruitment and selection externally. Psychometric and written tests are normally used during selection to acquire the right people with the needed skills and knowledge who will facilitate the achievement of corporate objectives. Thang and Buyens (2008) stated that training and development lead to superior knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance excellent financial and nonfinancial performance of the organizations. The human resource department provides a framework within which the employee can identify the training and development needs. It also enabled the employees to take all of the programs or study for individual modules according to their particular development needs. The organizations pay directly or the employees gets a refund of the amount used. Training and development programs motivate employees and enable them to perform work better through the acquisition of new knowledge and skills, hence the achievement of the organizational goals. Compensation refers to all types of pay or rewards going to employees and arising from their employment and it is based on the employee grades.

Performance management is done through appraisal system which is done once or twice a year depending on the firm. Appraisals are done by the supervisors and the results are used to determine salary increment, bonus, and promotions and to identify training needs which comes up as gaps. The cement firms have unions for employees. Whenever there is a complaint or grievance, the immediate supervisor handles it with the employee(s). The human resource manager, selected committee and union officials come in if the supervisor is not able to resolve the issue. A good employment relation motivates employees and ensures a healthy working

environment which facilitates the achievement of corporate objective. The way company leaders handle terminated employees have either positive or poor effect on the employees' mental health and the firm's corporate image. If employees who have been terminated believe that they have been treated callously, anger and retaliation can result which affects the firms performance (Murray, 2002)

1.1.3. Cement manufacturing firms in Machakos county

The cement manufacturing firms have been mainly dominated by five main companies which include Bamburi Cement Limited which started its operations in 1954 in Mombasa but opened a plant in Machakos County in 1988, with a current market share of 50%. East African Portland Cement Limited started its operations in 1958 with a market share 25%. Athi-River Mining Limited followed in 1984 with a market share of 11%. Mombasa cement and National cement company both began operations in 2011 with 10% and 4% market share respectively Business daily, (2011). With increased demand for cement both locally and regionally these firms have had to increase their production and subsequently their labor. A survey indicated that the greater percentage of employees are employed on contractual basis as opposed to permanent posing a serious impediment in the implementation of strategic human resource management. The ratio of permanent staff to contracted and casuals across the companies' show 550:876:25 for East African Portland Cement, 260:500:0 for Bamburi Cement Limited, 300:300:300 for Athi-river mining, Mombasa Cement with 300:250:0 and National Cement at 112:181:0.

Cement firms also have had their share of challenges which include; technological innovations, globalization, staff turnover, government policies, political interference, poor employee relations and international competition. This has created an environment of cutthroat competition amongst the firms. The pressure is for business to become "lean organizations" downsizing and cutting down on staff especially at management and supervisory levels. There has also been stiff competition with each firm offering lucrative employee propositions and poaching. As a result,

the firms have been forced to develop strategies that will ensure they have a competitive edge **over** their competitors to survive in the market which can only be achieved by employing **strategic** human resource management.

Other strategic human resource management issues include lack of deep top-management commitment and constant communication of that commitment which is the key link to transform philosophies (mission, vision, goals, and business strategy) into practices. Lack of alignment or fit of the designed human resource strategy with the overall business strategy of the organization. For human resource to design effective methods and provide strong leadership, appropriate skills and competencies are required, to know the business, to know how to translate the business needs to human resource goals, to manage uncertainties by being present in the market, to forecast changes, and be able to integrate and grow to create value in terms of human potential.

1.2. Research problem

Strategic human resource management practices generates a perspective on the wdy such critical issues relating to people are handled and enables strategic decisions to be made that have a long term impact on behavior and success of the organization by ensuring the organization has skilled, committed and well motivated employees it needs to achieve its objectives Armstrong (2006). Strategic human resource practice can be regarded as a general approach to the strategic management of human resources in accordance with the intentions of the organization on the future direction it wants to take and it encompasses people issues and business strategies. An organization's human resource management policies and practices therefore must fit. Becker and Gerhard (1996), Becker and Huselid (1998) and Dyer & Reeves 1995) empirical studies found that firms which aligned their human resource management practices with their business strategy achieved superior outcomes.

Cement manufacturing firms in Machakos County play a vital role in the realization of the vision 2030 which localizes the United Nations millennium development goals through offering employment opportunities to more than 3,954 workers. Despite this role, cement manufacturing firms face many challenges related to strategic human resource management practices. These challenge include; high staff turnover due to uncompetitive compensation package and inadequate human resource planning which can be very costly in terms of recruitment, selection and training, lack of proper training and development which contributes to lack of motivation and job satisfaction, poor employee relations inefficient communication and lack of involvement of workers in decision making which has contributed to industrial unrest such as go slow and strikes leading to huge losses. Inefficient performance management systems have also contributed de-motivation and low work morale among workers and thus affecting the organizations performance. The cement manufacturing companies have continued to view human resource practice as a supportive role within their organization instead of taking it as a strategy to the achievement of their corporate objectives and overall competitive edge Domingo, (2003). This is clear by the unresponsiveness of management to adopt strategic human resource management practices.

A number of studies have been done on strategic human resource management practices. These include; Beatrice, (2010) studied strategic human resource management practices adopted by mobile phone service providers in Kenya and the findings indicated that strategic human resource management practices contributed to profitability and achievement of the corporate objectives. Omoro, (2008) studied strategic human resource management and firm performance: A survey of banking sector. The findings of this study indicated that strategic human resource management practice is crucial to the success of the organization in many aspects such as productivity, profitability, future focus and company image. The human resource managers in cement firms need to adopt strategic human resource management practices which will ensure the above

challenges are addressed in order to achieve the corporate objectives through smooth running of the organizations hence; this study seeks to determine the extent of adoption of strategic human resource management practices among the five cement manufacturing firms in Machakos County.

1.3. Objective of the study

To determine the extent of adoption of strategic human resource management practices by cement manufacturing firms in Machakos County.

1.4. Value of the study

The management in cement manufacturing firms will use the findings to evaluate their human resource management practices and modify them to suit their business and thus help them gain a competitive edge.

Other organizations intending to adopt strategic human resource management practices will find these results informative. Many organizations are now adopting strategic human resource management practices to help them move their businesses to the next level. They may therefore find this research helpful as a basis of setting their strategic human resource management practices.

Scholars and researchers who may use it for reference as a basis for further research. The findings of this study will act as a spring board for future researchers who may wish to conduct further studies on the area of strategic human resource management.

The government could also use the findings of this research to guide in policy formulation and development of framework for strategic human resource management practices in its ministries.

CHAPTER TWO: LITERATURE REVIEW

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2.1. The Concept of Strategy

Strategy has been defined by Johnson and Scholes (1993) as the direction and scope of an **organization** over the longer term, which ideally matches its resources to its changing **environment**, and in particular to its markets, customers and clients to meet stakeholder's expectations. The effective development and implementation of strategy depends on the strategic capability of the organization. Mintzberg et al (1988) suggests that strategy can have a number of **meanings**, namely: a plan, or something equivalent - a direction, a guide, a course of action; a pattern that is consistent in behavior over time; perspective, **an organizations** fundamental way of doing things; a ploy, a specific "manoeuvre" intended to outwit an opponent or a competitor. His strategy is best seen in the ultimate behavior of the organization.

Walker (1992) defined strategic human resource management as the 'means of aligning the management of human resources with the strategic content of the business'. Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former and indeed helps to define it. Strategic human resource management is also about horizontal integration which aims to ensure that the different elements of the human resource strategy fit together and are mutually supportive. Ulrich (1997) believes that one of the key roles of Human resource professionals is to act as change agents, delivering organizational transformation and culture change. Hendry & Petti grew see the people of the organization as a 'strategic resource' for the achievement of competitive advantage'.

Devan, Fombrum, Tichy and Warren (1982) highlighted strategic human resource management as a key process in strategy implementation. Huselid (1995) conceptualized it as the emphasis each

firm places on aligning its human resource functions and competitive strategy. Arguably, such an alignment (or external fit) is conducive to firm performance. The key difference between traditional conceptions of human resource management and strategic human resource management is the extent to which human resource management is integrated with the strategic decision-making processes that direct organizational effort to cope with the environment (Guest, 1989). The strategic human resource management perspective considers employees a strategic resource. As-with other resources (patents, reputation), a strategy that capitalizes on the distinctive features of an organization's array of human talents is likely to enhance success (Barney, 1991). To the extent that human resource managers play an active role-in developing an organization's strategy, the strategy will be likely to capitalize on the strength of the organization's human resources. In addition, if human resource managers are full part-time partners in strategic decision making, they are in a better position to craft human resource practices that elicit employee behavior supportive of the organization's strategy.

Golden and Ramanujam (1985) identified four levels of integrating human resource practices with strategic decision making. These levels ranged from the least integrated administrative linkage in which human resource management processes paper work and strategic processes exist without human resource management input, to the integrative linkage in which human resource management is considered an integral part of senior management, and an effort is made to integrate employee needs and business objectives to long term organizational goals. Of these two extremes, the former might be thought of as characterizing traditional conceptions of human resource management; the latter strategic human resource management. Generally, researchers speculate that organizations linking Human resource management to strategic decision making will outperform those that do not (Cook and Ferris, 1986; Huselid, 1995; Wright & McMahan, 1992).

2.2. Strategic human resource management

According to Armstrong (2006), Strategic human resource management is essentially an integrated process that aims to achieve 'strategic fit'. A strategic human resource management produces human resource strategies that are integrated vertically, with the business strategy and are ideally an integral part of that strategy contributing to the business planning process as it happens. According to the Resource Based View, internal firm resources that are rare, inimitable, and non substitutable can provide sources of sustainable competitive advantages Barney, (1991). Human resource practices that meet these criteria are such a source Wright and McMahan, (1992) and thus enhance organizational performance. The Resource Based View has been instrumental in developing the notion of strategic human resource management, or the exploration of Human resources role in supporting business strategy Wright, Dunford and Snell, (2001).

Walker (1992) defined strategic Human resource management as the 'means of aligning the management of human resources with the strategic content of the business'. Vertical integration is necessary to provide congruence between business and human resource strategy so that the latter supports the accomplishment of the former and indeed helps to define it. Strategic Human resource management is also about horizontal integration which aims to ensure that the different elements of the Human resource strategy fit together and are mutually supportive. If Human resource is concerned as it should be with playing a major role in the achievement of continuous improvement in organizational and individual performance and in the Human resource processes that support that improvement, then it will be concerned with facilitating change. Strategic human resource management is as much if not more about managing change during the process of implementation as it is about producing long-term plans; a point emphasized by Purcell (1999) who believes that: 'we should be much more sensitive to the

processes of organizational change and avoid being trapped in the logic of rational choice', Purcell (2001) suggested that change is especially important in the Human resource management strategies, 'since their concern is with the future, the unknown, thinking and learning how to do things differently, undoing the way things have been done in the past, and managing its implementation'.

Devan, Fombrum, Tichy and Warren (1982). Highlighted strategic human resource management as a key process in strategy implementation. Some human resource activities such as performance appraisal, compensation, and development programs were considered as critical for strategy implementation if they could stimulate desired employee behaviors and enable managers attain long term strategic goals Schuler and Jackson, (1999). Huselid (1995) conceptualized strategic human resource management as the emphasis each firm places on aligning its human resource functions and competitive strategy. Arguably, such an alignment (or external fit) is conducive to firm performance

2.3. Strategic human resource management practices

Strategic human resource management practice is a distinctive approach to employment management which seeks to obtain competitive advantage through strategic deployment of a highly committed and skilled workforce, using an array of cultural, structural and people management techniques. Strategic human resource management practices include; human resource planning, recruitment and selection, performance management, training and development, compensation and employment relations and employee termination.

²⁻³-1. Human resource planning

Human resource planning is defined as the procedure by which an organization ensures that it has the right number and kinds of human resources at the right place and at the right time Decenzo

and Robbins (1999). Aswathappa (2008) argued that an organization should have better human resource plans to motivate its employees. Sound human resource planning can enhance job satisfaction of the employees by providing opportunities for the employees to participate in planning their own careers. When human resource planning is applied properly among the cement firms through the human resource Managers, it would assist to address the following questions: How many staff does the Organization have? What type of employees as far as skills and abilities does the Company have? How should the Organization best utilize the available resources? And how can the Company keep its employees? Good human resource plans assists the cement firms to manage their staff strategically hence the achievement of the organizational objectives

2.3.2. Recruitment and selection

The recruitment and selection process is a sequence of precise steps used to make a decision about staff hiring. The main objective of recruitment and selection process is to obtain at the lowest cost, the quantity and quality of employees necessary to meet the human resource requirements who will ensure the achievement of the corporate objectives by providing labor. Sophisticated recruitment and selection system ensures a better fit between the individual's abilities and the organization's requirement Fernandez (1992). The mismatch between the person and the job can slow down performance levels Lado & Wilson (1994).

The process of recruitment/selection can be categorized into four stages: advertising methods, receiving applications, initial screening of applications and final selection decisions Derek & Jane (2003). There are different kinds of recruitment sources like referrals by employees, advertisements in newspapers, online or direct applications *walk-ins' and a broad variety of substitutes also exist like rehires, internships and employment agencies, . This selection process affects the performance of cement firms in that it determines the kind of staff who will help the organization achieve its corporate objectives. Poor selection means having employees who will

not **deliver** while proper selection ensures that the organization acquires the right people with the right skills and knows how to perform the job and thus contribute to the achievement of the **corporate** objective. Recruitment and selection also ensures employment stability as the workers are **selected** based on their ability. Unfortunately this has not been the case in cement firms where **selection of** the senior most positions is politically instigated while lower carder employees are **subjected** to interviews. This has affected their ability to perform their tasks and the general **organizational** performance. Katou and Budhwar (2007) in a study on the Greek manufacturing **firms found** that recruitment and selection was positively related to all organizational **performance** variables such as effectiveness, efficiency, innovation, and quality which are means **to achievement** of the corporate objectives.

2.3 J. Training and development

Training and development' is considered to be the most common Human resource practice and it is a continuous process due to dynamism of the business environment. Tzafrir (2006) Training and development' refers to any effort to improve current of future employees' skills, abilities, and knowledge. Training can be on the job using coaching, mentoring and job rotation or off the job through lectures/conferences, films, simulation exercise, role plays and in- basket. Development comes as a result of training and it is long term. Aswathappa (2008) Training and development has a significant positive impact on employees' job performance and job satisfaction. Garcia (2005). Trained employees with the right skills and knowledge perform up to the organizations expectations and reduce litigation cases which reduce the company's profits. The cement firms mainly focus on training the top management who are able to identify their training needs but lower carder employees who perform the manual work don't get trained regularly yet they contribute to the organizational performance through the quality of their work.

2.3.4 Performance management

The process of management involves a continuous judgment on the behavior and activities of staff. Performance management is concerned with how people work, how they are managed and developed to improve their performance, and ultimately, how to maximize their contribution to the organization. Technology has enabled organizations to move from annual appraisals/reviews to Performance Management. Annual appraisal systems are currently the norm in cement manufacturing firms as they have not yet adopted new technology of performance management. Performance appraisal also forms the basis for pay rise, promotions, trainings and bonus in the cement firms.

2.3.5. Compensation

Compensation refers to all types of pay or rewards going to employees and arising from their employment (Dessler (2008)). Compensation is very much important for employees because it is one of the main reasons for which people work. Compensation may be used to keep competent workers, boost or sustain satisfaction, encourage peak performance, decrease turnover and encourage company loyalty. Compensations may be different for different workers depending upon their level and type of formal education, experience and training. Numerous research studies highlighted performance-based compensation as highly motivating, and an influence creating human resource management practice (Huselid, 1995; McDuffie, 1995; Delery & Doty, 1996; Shaw, et al. 1998; Sels, et al. 2003). Bonus systems are to motivate employees to work towards the company's objectives (Pfeffer, (1994)).

Empirical studies on the relationship between performance-related pay and company performance have generally found a positive relationship. A great deal of research shows that offering high wages can reduce voluntary turnover (Shaw, et al. (1998)). Although Compensation

among the cement firms is based on job grades, it is used as a motivator to enhance performance which is the objective of many organizations.

2.3.6. Employment relations

Employment relations play an important role in establishing and maintaining industrial democracy. Better relations can create the appropriate working environment for all employees that ultimately influences job satisfaction, skill use and development, work place morale and worker absenteeism and hence the achievement of the organizational objectives Khan and Taher (2008). Poor employment relations among the cement firms have lead to industrial action and huge financial losses for both the employer and employees The firms have also experienced high turnover rates and absenteeism which has affected the production of cement leading to losses and more expenses in terms of hiring and training new staff On the other hand good relation between the employer and employees will facilitate the achievement of the corporate objectives though harmonious and healthy working relationships.

2.3.7. Employee termination

Downsizing has entered the job language of many individuals and the exit strategies employed in the process range from brutal to encouraging (Snell, 2000). Employees are increasingly angered by employers' customs, surprise announcements, perceived unfairness, dishonesty and public humiliation (Murray, 2002). The lesser managers treat their employees during a layoff (an exit) with dignity, appreciation, and respect, the greater the likelihood that those employees will spread negative information about the company to others (Murray, 2002). While laying people off may be beneficial to a company in the short run, in the long run it can do substantial damage.

The way company leaders handle terminated employees can have a detrimental effect on those employees' mental health. If employees who have been terminated believe that they have been treated callously, anger and retaliation can result which affects the firm's performance. Even survivors of the cuts can become angry and retaliate toward the company in reaction to the perceived coldness and unfairness of the company in terminating their colleagues. On occasion, even customers can be adversely affected by the attitude reflected by the company in the downsizing process. When the company displays aloofness, curtness, dishonesty and intimidation toward employees, few beneficial effects are seen (Murray 2002). Employee termination among cement firms is one of the practices that have been underutilized yet it is very important to the management and overall corporate image. Few cement manufacturing firms have good termination plans for their employees which include good pre exit counseling, exit interviews and send off package. This affects firm performance due to many law suits and poor corporate image.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Research design

This study adopted cross sectional descriptive census survey design. This design was appropriate **because a number** of firms were studied at the same point in time. Cross sectional descriptive **census survey** have also been used successfully to study strategic human resource management **practices among** 450 Chinese enterprises.

3.2. Population

The population comprised of all the five cement manufacturing firms listed in Kenya manufacturers associations 2011. All the firms were studied.

3.3. Data collection

The primary data was collected using a semi-structured questionnaire. The questionnaire was divided into two sections. Section 1 was designed to provide demographic data of the respondents'. Section 2 consisted of strategic human resource management practices. The respondents were the head of human resource function in the firm. The questionnaire was administered through drop and pick later method.

3.4.Data Analysis

Complete questionnaires were edited for completeness and consistency and coded for analysis.

Data was analyzed using descriptive statistics which includes means mode and median.

Tables and percentages and charts were used to present the findings.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSIONS

4.1 Demographic characteristics of the respondents

4.1.1. Level of education

The level of education is a good indicator of a person's ability to perform and progress in their careers. The study investigated the level of education of the human resource managers among the four cement manufacturing companies in Machakos County and established that the human resource managers in East African Portland Cement Company limited, Athi-River Mining and Mombasa cement had attained university level of education while national cement had attained college level education. This means that 70% of respondents had attained the highest level of education which is university level while 30% had attained college level. Since a majority had reached the university level, it can be established that most human resource managers were knowledgeable and able to perform on their work.

4.1.2. Number of years in service

The study investigated the number of years in service of the respondents and presented the results as follows; National cement had served between 1-5 years, Athi-River mining had served for over sixteen years as the human resource manager, East African Portland cement company had served for 6-10 years and Mombasa cement had served between 1-5 years as the human resource manager.

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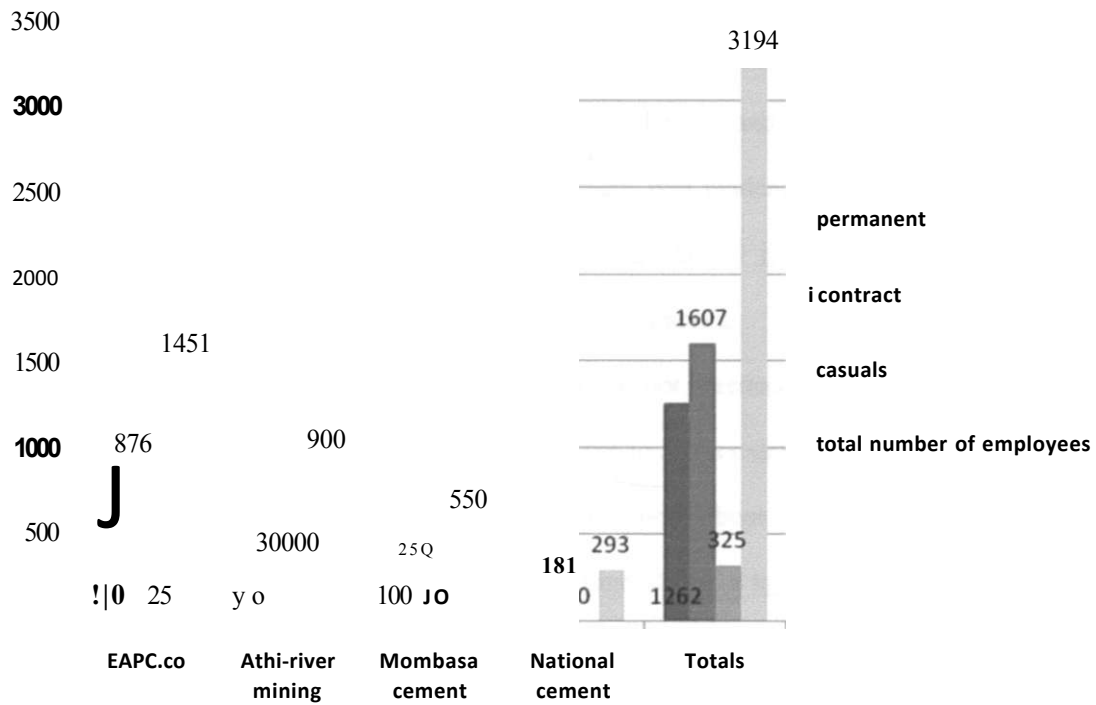
the study found that 50% of the respondents had served between 1-5 years while 25% had served between 6-10 years and another 25% served for 16 years and above.

Total number of employees and their categories

The study investigated the total number of employees and their categories for each organization.

Figure 4.2 gives a presentation of the total number of employees and their categories

Figure 4.2 Total number of employees and their categories



The results in fig 4.2 show that out of the total of 3094 employees. 52% (1262) are employed on a permanent basis while 40% (1507) are employed on contract basis and 10% (325) are employed in casual basis. A big percentage of employees are on contract and a small percentage on casual basis which has made the adoption of strategic human resource management practices to be slow.

4.2. Extent of adoption of strategic human resource management practices

The questionnaire had statements on strategic human resource management practices in the key functions of human resource planning, recruitment and selection, training and development, performance management, compensation, employee relations and employee termination. The respondents were asked to rate to which extent there was evidence of each practice in their respective organizations using a five point- likert scale, where 1 indicated absolute presence of such practices while 5 indicated absolute absence of such practices

The results were presented in table as follows; from 5-4 (not practiced at all I.e 0%),

Above 4 but less than 3(Practiced very rarely 25% (i.e to a less extent), 3-2(Practiced about 50% of the time (i.e moderately), above 1 but less than 2 Practiced about 75% of the time (i.e to a great extent) finally land below (Practiced almost all the time 100% (i.e to a very) great extent)

4.2.1. Human resource planning

Aswathappa (2008) argued that an organization should have better human resource plans to motivate its employees. Cement manufacturing companies in Machakos County practice human resource planning. With human resource department being considered an integral part of the company's strategic plan process. Formulation and implementation of human resource activities are also aligned with corporate strategies with a score of 93.75%.

All human resource activities (selection, training, compensation, appraisal and employee relations) are fully integrated with one another and human resource department participates in executive /steering meetings. With a score of 87.5% and 100% respectively.

Human resource department among cement manufacturing firms have an explicit statement of their **mission**, goals and have as much say in corporate matters as other departments such as **marketing**, finance and production with a score of 93.75%

4.2.2. Recruitment and selection

The mismatch between the person and the job can slow down performance levels Lado & Wilson (1994). Line managers and human resource managers participate in recruitment and selection with a score of 100%. The selection system among the cement manufacturing companies selects the desired knowledge, skills and attitude to work in a team .valid and standardized tests are also used during selection of employees with a score of 93.75%

Managerial selection is not always done using psychological and practical tests and the cement manufacturing companies have strong merit criteria for employee selection scoring 68.75% and **87.5%** respectively

4.2.3. Training and development

Aswathappa (2008) Training and development has a significant positive impact on employees' job performance and job satisfaction. The human resource managers agreed that they conduct training and development programs for employees every year with a score of 93.75%. Training needs are identified through a formal performance appraisal mechanism and formal training programs are in place to teach new employees the skills they need with a score of 87.5%. The human resource managers also agree that training needs identified are realistic, useful and based on organizational strategy, evaluation of the training programs is also carried out to determine whether training objectives are met with a score of 81.5%. Garcia (2005) Trained employees with ^ right skills and knowledge perform up to the organizations expectations and reduce litigation s which reduce the company's profits. The human resource managers also agreed that

training and development has resulted in higher productivity and financial returns for the cement manufacturing companies in Machakos County with a score of 87.5%.

4.2.4. Performance management

Performance of the employees is measured on the basis of organizational objective with a score of 81.25%. The appraisal systems are unbiased, transparent and employees are also provided with performance based feedback and counseling with a score of 81.25%. The human resource managers also agree that appraisal information is used for awarding bonus, promotions and selected trainings and development and not for penalization with a score of 81.25%.

4.2.5. Compensation

Numerous research studies highlighted performance-based compensation as highly motivating, and an influence creating human resource management practice (Huselid, 1995; McDuffie, 1995; Delery & Doty, 1996; Shaw, et al. 1998; Sels, et al. 2003). Bonus systems are to motivate employees to work towards the company's objectives Pfeffer, (1994).

The human resource managers agreed that the salaries and benefits they give to the employees are comparable to the market rate and directly linked to performance with a score of 81.25%. The respondents also agreed that compensation is decided on the basis of competence of the employees with a score of 75%. Profit sharing is used as a mechanism for rewarding higher performance with a score of 62.5%. The respondents also agreed that the cement manufacturing companies in Machakos County offers both financial and non financial rewards without discrimination with a score of 81.25%.

4-2.6. Employee relations

Better relations can create the appropriate working environment for all employees that ultimately influences job satisfaction, skill use and development, work place morale and worker

absenteeism and hence the achievement of the organizational objectives (Khan and Taher 2008). 50% of the respondents agree that there is top -down, bottom up communication with proper channels of handling complaints and grievances while 50% of the respondents were disagreed with a score of 75%. There is cooperation between subordinates, supervisors and managers in setting annual departmental goals with a score of 81.25%. Employees among the cement manufacturing companies in Machakos County are also empowered to participate in important decision making together with their seniors with a score of 87.5%

4.2.7 Employee termination

The lesser managers treat their employees during a layoff (an exit) with dignity, appreciation, and respect, the greater the likelihood that those employees will spread negative information about the company to others (Murray, 2002). The respondents agreed that employees are taken through pre-exit counseling, treated with dignity, appreciation and respect with a score of 93.75%.

Pre exit interview are also conducted before the employees exit the company with a score of 93.75%.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of findings

The objective of the study was to determine the extent of adoption of strategic human resource management practices among the cement manufacturing companies in Machakos County in Kenya. The study established that 70% of the human resource managers had attained university degrees while 30% had attained college education with enough work experience to enable them perform their duties. The study also found out that the cement manufacturing firms employed more staff on contract than permanent basis with very few casuals. The study also established that the cement manufacturing firms in Machakos County had adopted the strategic human resource management practices to a great extent. These practices include; human resource planning, recruitment and selection, training and development, performance management, compensation, employee relations and employee termination.

5.2. Conclusion

On the basis of research findings it can be concluded that strategic human resource management practices such as human resource planning, recruitment and selection, training and development, performance management, compensation, employee relations and employee termination are practiced among the cement manufacturing companies in Machakos County to a great extent.

5.3. Recommendations

This study supports the universalistic perspective which posits that some strategic human resource management practices are consistently better than others in their influence on company performance which is the ultimate goal of any organization in maintaining a competitive edge. It has been claimed that all organizations that have adopted the strategic human resource management practices regardless of the size, industry or location have consistently outperformed their counterparts that have not. Thus all organizations should adopt these practices in order to improve their overall performance and maintain a competitive edge.

5.4. Suggestions for further research

Research on strategic human resource management practices merits further study .there is need to undertake similar studies in different sectors or industries to ascertain whether different sectors or industries also acknowledge the universality of strategic human resource management practices and their positive influence on firm performance. Similarly, another study could be undertaken on the cement industry to verify these findings.

5.5. Limitations of the study

One organization (Bamburi cement) did not respond to the questionnaire The failure to respond was attributed to policy of the organization not to reveal sensitive information and the fact that the human resource manager was always very busy due to the nature of her/his work. This reduced the response rate to 80% however some useful conclusions were made despite these drawbacks.

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APPENDICES

APPENDIX 1: Letter of Introduction

DATE

The Respondent

RE: REQUEST FOR YOUR PARTICIPATION IN RESEARCH WORK

I am a postgraduate student in the school of Business, University of Nairobi pursuing a Master of Business Administration (MBA) Degree Program. In order to fulfill the degree requirements, I am currently undertaking a research project on "The extent of adoption of strategic human resource management practices among cement companies in Machakos county Kenya.

Since you are key people in the Human resource department, I believe you can provide invaluable information. I would appreciate if you could spare some time to complete the attached interview guide for me.

Please be assured that the information you will provide is strictly for academic purposes and I shall avail the company a copy of the results once the study is complete.

Yours faithfully,

Supervisor

Judith Obiero

George Omondi

APPENDIX 2: Questionnaire

Section 1: Personal Details

Name of the organization

Position in the organization

Highest level of education (tick one that applies to you)

Primary

Secondary

College

University

Number of years worked in the organization

1-5

6-10

11-15

16 and above

Total number of employees in your organization and their categories

Permanent employees how many

Contract employees how many

Casuals how many

Total number

Section 2: Strategic Human Resource Management practices

Indicate the extent to which you agree with the following statements in your organization regarding operations and practices at your organization. **(Put a tick on the appropriate box)**

1=strongly Agree; 2= Agree; 3= neither agree nor disagree; 4= Disagree; 5= strongly Disagree

0	Statement	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
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Human resource planning

Human resource department is an integral part of the company's strategic plan process

Formulation and implementation of human resource activities are aligned with corporate strategies

All human resource activities (selection, training, compensation, appraisal and employee relations)are fully integrated with one another

Does the human resource department participate in executive /steering meeting?

Human resource management has as much say in corporate matters as other departments such as finance, marketing production among others

Human resource department has an explicit statement of its mission and goals

	Recruitment and selection					
r	In our organization, line managers and HR managers participate in recruitment & selection					
r	Valid and standardized tests and interviews are used in the selection process of employees					
	Selection system in our organization selects those having the desired knowledge, skills and attitude sand desire to work in a team					
	Managerial selection is always done using psychological personality and practical tests					
	We have strong merit criteria for employee selection					
	Training and development					
0	Our organization conducts extensive (T&D) programs for Employees every year					
I	Training needs are identified through a formal performance appraisal mechanism					
I	There are formal training programs to teach new employees the skills they needed					
r	Trainings need identified are realistic, useful and based on the organizational strategy					

4.	Evaluation of training programs is always carried out to determine whether training objectives are met					
5.	T&D has resulted in higher productivity and financial returns for the organization					
r	Performance management					
U 6.	Performance of the employees is measured on the basis of organizational objectives					
8.	Appraisal system is unbiased and transparent Employees are provided performance based feedback and counseling					
9.	Appraisal information is used for bonuses, promotions and selected training and development and not for penalization					
	Compensation					
2.	In our organization, salary and other benefits are comparable to the market					
3.	In our organization, compensation is decided on the basis of competence of the employee					
	The compensation for all employees is directly linked to their performance					
r	In our organization, profit sharing is used as a					

c	mechanism to reward higher performance					
*	Our organization offers both financial and non-financial rewards without discrimination					
	Employee relations					
	There is efficient top -down, bottom up communication with proper channels of handling complaints and grievances.					
19.	There is corporation between subordinates, supervisors and management in setting annual departmental goals					
10.	Employees in your organization are empowered and participate in important decision making together with their seniors					
	Employee termination					
31.	Employees are taken through pre exit counseling and treated with dignity, appreciation, and respect					
0.	Pre exit interviews are conducted before employees					
—						

exit the company

Thank you for completing this questionnaire