

**RELATIONSHIP BETWEEN HUMAN RESOURCE STRATEGIC
ORIENTATION AND PERFORMANCE OF MEDIUM
MANUFACTURING FIRMS IN NAIROBI, KENYA**

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

OCTOBER 2018

DECLARATION

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

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D61/64443/2013

Supervisor's Approval

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

Signature..... **Date**.....

Professor Peter K'Obonyo

DEDICATION

This dissertation is dedicated to my lovely and hardworking mother Mrs. Grace Onyisi, who have continuously encouraged me and assisted me recognize the value of education and hard work in life, loving wife Grace Atieno, Son Carlos Santa and to all my brothers, Dr. Jack Abebe and Edison Onyisi, Sisters, Emily, Darline, Olgha, and Josphine Onyisi.

ACKNOWLEDGMENTS

I am deeply grateful for the support that the following people gave me and their commitment to making my MBA research a success. First and foremost, I thank the Almighty God who granted me life to successfully complete the research. Secondly, I would like to acknowledge the critical role Professor Peter K'Obonyo played in ensuring successful completion of my MBA program through guidance, positive criticism and support.

I must acknowledge my dear mother, who always ensured that I further my education to the Masters level. She played a very important role of supporting me financially and morally through her always encouraging words. May she live long on this earth. My sincere gratitude also goes to my dear wife, Grace Atieno and son, Carlos Santa for their moral support. My sincere gratitude goes to brothers; Dr. Jack Abebe and Edison Onyisi for their invaluable input especially in providing the much needed financial support to ensure successful completion of the project. I am really thankful to the rest of my brothers and sisters for their care and consideration throughout my educational journey. Surely hard work and persistence pays. Indeed Dr. Jack proved beyond being my blood brother through his financial support whenever needed. May the Almighty God keep Jack and Eddy in his His fold. My appreciation to the staff and management of the University of Nairobi who took time off their busy schedules to respond to my questions and help me address my research objectives. I also owe much gratitude and appreciation to my fellow MBA students especially Veronicah and Magina who both contributed or supported this study in one way or another. Lastly but not least, I am grateful to the respondents, my research assistants Kenneth Job Samo and Janet Juma for their assistance in field research and data collection.

ABSTRACT

Human resource management science has evolved over time given the observed vitality of HR department in creating effective synergies and a work force capable of guaranteeing the growth and profitability of the organization. Empirical results have shown that HRSO is indispensable in the contemporary business environment characterized by stiff competition, dynamic industry trends and ever shifting consumer needs. The study explored HRSO orientation as a major determinant of organization performance. Successive studies have shown that most companies employ soft or hard HR orientation; manifested in the form of employee training, control, motivation and remuneration. The findings of the study showed a positive correlation between firm performance and the HRSO orientation of 46 medium manufacturing firms sampled in Nairobi. The dependent variables measured were company profits, employee retention rate, product market share, and the overall stock price of the sampled firms. While there was a positive correlation between soft and hard HR orientation on performance, the study concluded that company stock price and product market share are not dependent on the firm's HR orientation. The findings of the study show a direct link between HRSO orientation and performance. The findings support assertion that the association between HRSO and performance is mediated by the organization's commitment to employee training, motivation, reward and inclusion.

LIST OF ABBREVIATIONS AND ACRONYMS

| | |
|-------------|--------------------------------------|
| HRSO | Human Resource Strategic Orientation |
| HR | Human Resources |
| KPIs | Key Performance Indicators |
| HRM | Human Resource Management |
| RBV | Resource-Based View |

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CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Successive researches on plausible ways of increasing a firm's level of success in the wake of a dynamic and highly competitive global business environment have focused on the relevance of strategic management concept as a fundamental element that determines the performance of the organization. In a study exploring the relationship between two major strategic orientations in HR practice Kidombo, K'Obonyo and Gakuu (2012) posited that HRM practices and orientations are hinged on two conflicting perceptions of the employee toward the firm. The researchers emphasized that organizations ought to devise HR practices and policies aimed at retaining employees and covering all three areas of commitment to realize set organization goals.

Espoused in the Goal achievement theory is the belief that the level of job satisfaction and the ultimate performance of an individual employee are dependent on their goal orientations. Essentially, the human resource (HR) department in its attempts at creating an environment that brings on board the employees and the top management in firm performance improvement establishing the organization goals is a prerequisite. The principles of goal orientation theory are critical in effective HR management strategies. Research studies agree that the roles of goal orientation in a firm are immense. While this is indisputable, the management has to identify the most suitable form for its employees.

Bolder (2010) observed that firms are fast looking to increase innovation, effective management of human resources to create sustainable competitive niche and advantages given the fact that business location, capital, and technology are increasingly becoming less significant as basis for business competitive advantage.

Successive studies have informed the growth of various business theories and models. A notable case is the emergence of Human resource strategic Management (HRSO) as a tactical asset over the years. Human resource strategic management has the capability of enhancing the firm's ability to handle any situation and challenges including entry into turbulent business environments (Kidombo et al., 2012).

The evolution of HRSO is traceable to early concepts of organization management. As Malik(2009) noted, traditional HR practices were hinged on the principle that the solutions to historical personnel management problems are only realizable when firm managers develop a viewpoint of their wishes on how employees should be involved in the management and operation of the firm. The author observes that, essentially, these procedures were creations of the enterprise, and reflective of the expected practices and HRM policies of the firm. Schuler and Jackson (2007) described the evolution of HRSO as a practice in a two-phased transformation process. Notably, the first shift is identifiable in the movement from personnel management to traditional human resource management (THRM) followed by a shift to HRSO model.

The main objectives and importance of business strategies are to improve efficiency and increase the organization's performance index evident in its competitive advantage and overall company effectiveness. In essence, apart from relying on strategies such as job designs, quality improvement, flexible workforces, incentive compensation and employee empowerment, improving a firm's competitive advantage in the present business environment should emphasize reconsideration of firm priorities aimed at improving not only the structural ability of the organization but also capitalize on the potential of the human resource base. The resource based view (RBV) supports this new paradigm and emphasizes that organization should consider using the available resources to increase its performance. The principles of the RBV theory are undoubtedly essential to the HR department in creating its strategy and identifying the specific orientation that fits the organization's needs and capitalizes on the available human resource base. Conceptualized in the HRSO model, the firm needs to configure itself by reflecting on the changes defining the prevailing business environment in terms of the human resource training and development and the overall assets and resources available for use. The HRSO model follows this notion.

1.1.1 Human Resource Strategic Orientation

Researchers and scholars conceptualize HR strategy as a statement of intent 'in an organization with regard to how the organization manages its HR resources (Torrington and Hall 2015). A variant to this perspective defines HR strategy as a process firms embark on in an attempt to integrate HR functions and the organization's business objectives. However, Bowen and Ostroff (2004) argued that HR strategy is a pattern of decisions concerning human resources

management practices and policies firm management employs to design jobs responsibilities, identify, train and further develop employees in relation to the company's needs and objectives. Additionally, the authors implore that the HR strategy defines employee appraisal procedures, motivation and how to control and retain employees. From this definition, Bratton and Golds (2003) commented that HR strategy spans from a continuum of two extremes ranging from a comparatively supervisory approach of handling employees to a binding approach characterized by the management's investment in employees. A control-based HR strategy lays emphasis on the quantitative and calculative features that influence management in an organizational setup. In this thinking, there is a tight control of employees using written rules and procedures, managers organize tasks and movement within which workers operate to ensure achievement of organizational performance (Gerhart and Fang 2005).

The control-oriented approach is arguably applicable for narrowly defined job fields, applicable in lower skills, improve centralized decision-making little training among others. As a result, workers are considerably commodity-like and easily replaceable (Arthur 2014). While this strategy has its innate weaknesses, proponents hold that the objective of the strategy is to ensure that the organization realizes improved performance albeit under strict rules and regulations. In addition, the management ensures efficiency through close monitoring.

The emergence of a commitment based HR strategy builds on the principle of human relations theory. The basic principle of the strategy is that with motivated employees, the company is most likely to develop a committed workforce capable of delivering what the organization desires in its strategic plans (Conner and Ulrich 1996). The resilient features of the strategy include employee training, promotion, compensations, awards and competitive remuneration packages. Empirical data Studies have shown varied impacts of various HR practices on organizational performance. Conversely, most results concur that the ultimate results are largely dependent on individual employee input in various departments although the degree varies with firms and departments (Kidombo et al., 2012). It is imperative to note that employee actual work practices are potentially powerful mediators of the HRM-performance matrix (Schuler and Jackson 2007)). On the other hand, most HRM performance models overlook employee interests, efforts, skills, and initiatives.

1.1.2 Firm Performance

In relation to human resource management within organizations, Jarvalt and Randma–Liiv 2010) observed that performance is the ability of an object to fulfill the obligations and produce results in relation to the firm's projections, goals and set objectives. Writing on the subject, Katou and Budhwar (2017) note that performance is a multifaceted concept that requires the management to understand in order to actualize. The authors implore further that while it is possible to evaluate performance, any appraisal based on a specific measurement index does not guarantee a comprehensive understanding of the performance and organizational relationship compared to the construct of interest. Essentially, it is vital for the organization to consider multiple performance indicators.

Previous researches and organizational diagnostics have often employed financial variables as potential measures of organizational performance. Notable examples include evaluation of the firm's return on asset (ROA) (Katou and Budhwar 2007), return on investment (ROI), and return on sales (ROS) (Whitener 2011). Other scholars have argued that using a combination of financial and non-financial measures gives a more exclusive and balanced opinion of firm performance. Balance scorecard considers financial and non-financial performance measures. It is vital to note that non-financial indicators include firm growth, firm survival, customer satisfaction and learning and growth.

1.1.3 Medium Manufacturing Firms in Nairobi

Nairobi trade industry business pays hugely to the backbone economy of Kenya. It's considered a commercial hub for Central and Eastern Africa. In recent, most firms that have outfits in this area have headquarters situated in Nairobi as well as international firms and multi-national firms. Coca-Cola, General Motors (GM), Google and the United Nations (UN) regional HQs are situated in the city. Nairobi is the ideal place for most people and investors who are looking to establish a new business in the region. This is because of the location of its set-up and liberal marketplaces. Government of Kenya policies partakes to encourage businesses in terms of development and a steady Nairobi economy. Its innovativeness, advanced prospect, improved know-how, highly accomplished and competent manpower, and varied and vibrant marketplace have raised Nairobi to industrialized in the corporate hub of the state. Nairobi, only, contributes 60% of Kenya's GDP. Its firms are equally public plus private bodies, including

facility based unindustrialized and manufacturing productions. Kenya's industrial subdivision is going over a major evolution period mainly owing to the organizational reform progression, which Kenya Administration has remained executing since mid-eighties through an opinion to refining the fiscal and public atmosphere of the state of Kenya Firms.

1.2 Research Problem

Over the past few years, control-based HR strategy has been coordinating employment practices in organizations (Youndt, Snell, Dean, and Lepak 2016). More recently, commitment-based HR strategy has become the focus of empirical investigations examining employees' behavior required to implement competitive strategy (Allen, Shore and Griffeth 2013). Initially, the presumption of the field was that control-based HR strategy was necessary and sufficient for effective management of employees. As commitment-based HR strategy emerged, this assumption was called into question arguing that although control-based HR strategy was necessary to ensure organizational performance it was not sufficient. Therefore, commitment-based HR strategy was also required. These two strategies have been stated to either independently or jointly influence organizational performance.

Some strides have been made to empirically test the independent effect of control and commitment-based HR strategies on organizational performance (Allen and Meyer 2010). The propositions have rarely been tested jointly as bundles of HR strategy on organizational performance. On the other hand, structure, culture and politics have been considered as core factors that most likely increase the impacts of HR strategic orientation on employee job performance leading to organizational performance (Al Matari and Al Swidi 2014). As a result, the belief in the joint effect of HR strategic orientation and organizational factors on organizational performance rely more on the conceptual possibility rather than the direct observed support. More importantly, scholars have not specified in detail the mechanism through which this relationship might occur.

The performance of Medium Manufacturing Firms in Nairobi has been in question for a long time. Baguma (2012) established that following poor performance of the Medium Manufacturing Firms in Kenya largely attributed to the poor performance of employees, the need for firms to reengineer their human resources management strategies has attracted more

attention. Studies on HRSO in the United States and other economies across the globe have focused on the role of HRSO strategies and their ultimate impacts on company performance. Of import to the present study is the researchers' belief that organizations are reluctantly inculcating the HRSO theory into practical organizational operations as Storey (1987) observed.

In Kenya several surveys that have been conducted on HRSO and its effect on performance have concluded that there are significant relationships linking HR management and organization performance. For instance, Njenga (2007) explored HRM practices impacts on worker commitment to the organization, job satisfaction and how these influenced performance of public secondary schools in Kenya. Studies conducted by Dimba (2008) inferred that HRSO is linked to performance despite conflicting results on the influence of various HRSO bundles. Additionally, Ndungu (2012) evaluated the correlation between HR systems, corporate and business strategy execution and their ultimate impact on firm performance. The research study further inferred that incentives often moderate HRSO and an organization's performance index. These conflicting results constitute a gap that the present study intended to fill by focusing on the Medium Manufacturing Firms in Nairobi.

1.3 Research Objective

To determine the effect of Human resource strategic (HRSO) orientation on performance of medium manufacturing companies in Nairobi, Kenya.

1.4 Value of the Study

The researcher anticipated that the results of the present study would contribute to the existing knowledge by providing deeper understanding of the correlation between HR strategic orientations and performance of an organization.

In practice, the study aimed to establish the best HR orientation models in order to improve on human resource practices within the firm for individual and organization performance improvement. In policy, the research findings would be central in informing organization HR policy development. The main area that the study explored is the direct implications is the implication of HR orientation on the performance of the firm. Additionally, this further influences firm policy on recruitment, compensation, performance management, learning and development, employee benefits and eligibility.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter presents an assessment of literature on the link between strategy and HR management orientation and the ultimate impacts they have on the performance of manufacturing companies in Nairobi. The emphasis of the present study is on the impacts of human resource strategic management strategies on organization performance.

2.2 Theoretical Foundation

The study was anchored on two schools of thought namely goal achievement and resource based –based theories (RBV).

2.2.1 Goal Achievement Theory

Research in management science and the principles of achievement goal theory hold that job satisfaction and performance of an individual employee depend on their goal orientations. According to Yperen (2004), achievement goal studies have predominantly explored individual cognition, the impacts on individual activity, and behavior associated with task engagement and performance in individual settings contributing to the existing literature on organization and human resource strategic management. Proponents of goal achievement theory believe that contemporary organizations, individuals and institutions have to ensure that they remain relevant and competitive in fast changing environments where competition and opportunity increase. Furthermore, the changes prompt the complex situations that need require effective measures.

MacDuffie (2015) argued that in most organizational settings, employees work in association with colleagues, customers and supervisors to perform their designated duties. In this regard, employees with conflicting goal orientations are most likely to differ on the procedures for developing and maintaining effective relationships with other actors. According to Janssen and Van Yperen (2004), goals guarantee a framework for workers' to focus on the main factors and actions that encourage not only identification of relevant actions but also interpretation of firm production events and their outcomes.

Research studies agree that the roles of goal orientation in a firm are immense. While this is indisputable, the management has to identify the most suitable form for its employees. For

instance, Van Yperen (2004) identified two main orientations namely mastery and performance orientation. It should be noted that the distinguishing feature of mastery-orientation is that it emphasizes competence development and skills while performance-orientation requires that the management should establish superiority over others.

In view of the theoretical studies on the importance of goal orientation in improving organization and employee job performance, it is possible to assert that people with a mastery orientation mindset often cushion themselves from negative impacts of failure (Martell 2015). Essentially, they establish higher levels of self-efficacy. On the contrary, individuals with performance orientation goals mindset are likely to validate their adequacy or competence albeit by using others as reference points in addition to seeking promising judgments. A performance goal on the other hand, indicates the desire to prove and outperform others. It is therefore, seeks approval, demonstrating ability and comparing one's competency in relation to others.

2.2.2 Resource-Based Theory

The resource based view of the firm (RBV) as an approach to organizational management has become a basic theoretical foundation in strategic HRM. Successive studies have confirmed the centrality of the RBV model in enabling companies to improve competitive advantages and also ensure that the organization explores the underlying relationships between HRSO and company performance. For instance, Wright, Dunford and Snell (2009) argued that the resource-based view (RBV) as an approach in organization management has had immense influence on HRSO in various ways and magnitudes. In their study, Wright et al. (2009) explored the impact of RBV view on not only the theoretical but also on the empirical development of HRSO strategies. The researchers note further that the novelty of the theory is attributable to the growing knowledge that fields of strategy and HRSO are converging around a various issues. The central foundation of RBV answers the fundamental question of why organizations are different and the approach each firm employs to realize and sustain competitive advantage by making the best out of available resources.

However, RBV has been criticized for not having looked beyond the properties of resources to explain sustained competitive advantage. In particular, it has not examined the extent to which an employee becomes a resource. Since the current conceptualization views employees as homogeneous resources. Furthermore, although HRSO research based on RBV advocates for the

influence of HR strategies-performance relationship through employee's skills and capabilities, this has not been explicitly tested through employee job performance as a mediating variable to competitive advantage. Research is needed to identify and explore the psychological variables (e.g. behaviors) that act as intervening mechanism connecting HR systems to organizational performance.

2.3 Dimensions of Human Resource Strategic Orientation

Human resource strategic management entails an organization ensuring that it develop schemes and ensure the antecedents that may derail or halt realization of the organization's competitive front. Researchers have identified a significant correlation between organization performance and strategic HR management practices. With this knowledge, firms have contended that strategic orientation features as an elemental aspect that affects effective planning and implementation of the firm's projected growth plan. Drucker, White, Hegewisch and Mayne (1996) pointed out that the firm's strategic orientation often mirrors the strategic directions and approaches a firm adopts in order to create the desirable employee behaviors for the continuous superior performance of the business.

An important aspect that influences organization performance especially in creation of sustainable competitive advantages is the firm's strategic orientation. According to Randolph and Kemery (2004) employee and management behaviors are fundamental to organizational performance outcomes. In addition to this, creating positive attitudes in the shift depend chiefly on the perception on how the employer considers employee well-being, and lastly how the management values their contribution to the company or institution (Ahmad and Schroeder 2003). Organizational values are often manifested in the firm's HRM practices, systems and procedures which in turn create the institution's HRM climate. In essence, the strategic orientation of the firm's HR practices emanates from the management's perception and the understanding of the employee needs as vital success determinants.

A host of research studies have identified a positive correlation between organization strategic orientation and the overall performance of the firm. For instance, in a study that of the two major strategic orientations in HR practice Kidombo, K'Obonyo and Gakuu (2012) averred that HRM practices base on two conflicting perceptions of human nature. The researchers identify two

dimensions that are predominantly evident in the organization's relations with the employee and within the work environment. In essence, a firm can either adopt the soft or hard HR orientation models.

2.4 Firm Performance

Organization performance is a pertinent paradigm in an organization's design and implementation of the strategic plan. While the construct is highly applauded as a critical tool in steering organization growth and success, scholars argue that there is need for organizations to distinguish organization effectiveness from business performance. According to Santos and Brito (2012), Venkatraman and Ramanujan (1986) highlighted three layers that ultimately determine overall organization success. The authors emphasize that in its theoretical context, firm or business performance is an organizational effectiveness ideology that takes into account the firm's financial and operational outcomes in any given environment. Empirical literature espouses the belief that appraising organization performance is a key element in strategic management (Santos and Brito 2012).

The relevance of business performance appraisal in strategic management is paramount; studies on the best measurement models have continuously informed organizations' measurement tools and best practices. Marr (2012), argued that in corporate strategic management, Key performance indicators (KPIs) is a commonly applied business metric that enables the company to identify and track factors that influence the overall company success. Apart from the KPI model, the balanced scorecard is commonly applied in scenarios where the management seeks to convert strategic goals into workable action plans. According to Niven (2011), the balanced scorecard tool considers internal processes, financial performance indicators, employee learning and growth, and other customer related determinants. Closely related to this measure is organization benchmarking where the management gauges their performance in relation to industry, peer or government agencies set standards. In addition to the discussed, firms can opt for the six sigma model, CRM, people and budgeting.

2.5 Strategic Orientation and Firm Performance

Strategic management as a concept has gained global relevance as businesses look for ways of improving existing systems of operations in bold attempts at retaining market positions. Research studies have further confirmed the overarching impact of strategic business

management on performance of the entire organization. For example in a study that sampled Malaysian small and medium enterprises, Nasir (2013) explored the possible link between the performance of the selected SMEs and their respective strategic orientations. The author states that surveys in marketing as a practice and other business forms have confirmed the root sources of the present obsession with strategic orientation concept. In essence, it is the role of the management to come up with effective firm orientations that align with the corporate and business objectives. As evident in various empirical results, strategic firm orientation has significant implications on the performance of a firm. While the concept and its underlying significance in performance improvement in a firm have received much research attention, Matti (2012) decries the relatively little attention given how the concept prompts superior performance. On the other hand, Zhou, Yim and Tse (2005) established that strategic orientations impact market forces in various ways. Among these, the study revealed that technology and market orientations have potential of overcoming turbulent technology, threats of competitors and also increase a firm's response to the needs of the customer.

Shun and Lee (2016) evaluated four key orientations in a number of large Korean companies. The researchers assumed that a firm's orientation can either impede or increase innovation as a fundamental element of organizational output in the present global business environment. Therefore, the survey relied on data on customer (CO), technology (TO), Competitor (PO) and internal\cost (IO) on firm innovativeness. The survey concluded that customer, technology and competitor orientations had positive influences on the level of a firm's innovation. The overall effect of strategic orientations on organization performance are thus manifested in the ability of the organization to create operational procedures that seek to improve individual input and also enable the firm to play a pivotal role in steering innovation and company competitive advantage.

2.6 Summary of Empirical Literature

| Study | Focus | Methodology | Findings and conclusion | Research GAP |
|---|---|--|--|--|
| Katou and Budwar (2007) | Effect HRM policies on organizational performance in the Greek manufacturing context. | Cross-sectional survey sampled 178 firms | The study showed a strong relationship between HRM policy on performance of the organizations | The study failed to focus on the orientation of firm |
| Kidombo, Kobonyo and Gitau | The relationship between soft and hard HR orientations on organizational commitment, | Cross sectional survey of 251 firms | A positive relationship between the hard and soft HR orientations | The study did not evaluate organization performance as a variable |
| Drucker, White, Hegewisch, Mayne, (1996). | The study aimed to explore the most appropriate HR orientation between soft and hard HR in construction firms | Cross-sectional survey | The results showed slow uptake or innovation in HR practices | The research did not explore implications on construction industry performance |
| Erickson and Dyer, (2005). | The study intended to identify human resource strategies that extend the general high performance human resource strategy | Qualitative research | The researchers concluded that employee training, have high compensation, provide training among others are likely to outperform competitors | The research focused entirely on HRSO strategies but failed to consider the specific HRSO orientations |
| Bowen and Ostroff (2004) | The objective of the research was to explore the link between firm performance and HRM systems in place | Cross sectional survey | The results indicated a positive correlation between HRM systems and organization performance | The study did not evaluate HRSO strategies and the orientations as determinants of performance |

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter outlines the broad research method used to carry out the study. This chapter outlines the target population, research design, sampling design, data collection method and instruments, and data analysis employed in the study.

3.2 Research design

Research design is defined as the structure of study used in order to get feedback to research questions (Robson 2012). Descriptive cross-sectional survey was used to study the research problem. Descriptive research depicts persons involved in a study in accurate ways (Saunders, Lewis and Thornhill 2013). Descriptive research design was used for this study because of the need to collect data across many firms at one point at a time.

3.3 Target Population

Population refers to the complete collection of sets of elements about which a researcher wishes to make conclusions. A population element is the area under discussion like an organization or a person whose measurement is being taken Cooper & Schindler, (2013). The target population in this study comprised all medium manufacturing firms in Nairobi County. There are 132 medium manufacturing firms registered with the Kenya Association of Manufacturers (KAM, 2016) in Nairobi; these formed the population of the study. Four sectors of company firms were selected for ease of reach and data collection that is Food & Beverage, Building & Construction, Energy and Pharmaceutical industry.

3.4 Sampling Design

Sampling means selection of units that are involved in a study. The selected units represent the larger. According to Cooper and Schindler (2013) the sample size should be a function of both the estimation accuracy needed by the researcher and the variation in the population parameters under study. Mugenda and Mugenda (2003) suggested that for a large population, 10% sample size would be adequate. However, the current study used 35% since a reasonable large sample is necessary to justify use of regression analysis. For a population of 132 firms, 35% gives a sample of 46 firms. This is the sample that was used in this study.

3.5 Data Collection

The study relied entirely on primary data gathered using questionnaires from 46 sampled companies. The respondents were heads of human resource units in each firm. In the absence of any one of them, the next senior officer was requested to participate.

The researcher used questionnaires which had both open ended and closed questions in order to collect data for analysis. The questionnaire was administered using drop and pick method by the researcher. The questionnaires were pre-administered to test the reliability and validity and also to make any necessary adjustments and apt corrections based on the pre-administration. The questionnaire had three sections where section one targeted the profile of the firms and the respondent; section two addressed human resource strategic orientation while section three presented data on organization performance. Items in section 2 and 3 were presented on Likert-scale format. Items in section 2 and 3 were adapted from an online digital library - SCRIBD as the source of the data.

3.6 Data Analysis and Presentation

The data collected were first edited, sorted and coded. Descriptive statistics such as medium, mean, and standard deviation were used to analyze and describe the data. Measures of association were used to examine the relationship between human resource strategic management orientation and performance index of medium manufacturing firms in Nairobi using a suitable regression model. The findings were presented in tables and figures. The study employed the analytical model below and relied on 95% confidence level. The following regression equation was used to establish the effect of Human Resource orientation on performance.

$$Y = \beta_0 + \beta_1 X_1 + e$$

Where Y= Organizational Performance

β_0 = intercept

β_1 = beta coefficient for HRSO

X_1 = HRSO (soft or hard)

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The following chapter presents the findings of the study and is organized as follows: The analysis of the response rate, descriptive statistics showing the respondents profiles and characteristics to show the degree to which data represents the sample population's opinion on the variables and inferential statistics.

The researcher collected responses from various heads of HR department in the sampled firms. The researcher issued questionnaires to deputies and assistant heads of department in cases where the superiors were not available. Out of the sample population of 46 firms, the response rate was 100% although there was variation in the time of delivery of the completed questionnaires. From the respondents analyzed, the bulk of the respondent population was in the 45-54 age brackets and constituted 36% of the overall survey population. This group was closely followed by employees in 35-44 years. The respondent rate and variation in age was established as shown in the table below.

Table 1 Distribution of Respondents by Age

| Age bracket | Frequency | Percent (%) |
|--------------|-----------|-------------|
| Under 21 | 0 | 0 |
| 21-34 | 5 | 11 |
| 35-44 | 13 | 30 |
| 45-54 | 16 | 36 |
| 50 and above | 10 | 23 |

Further, the study emphasized the period of employment and the respondents' affiliation with the firm and the industry. From the sampled population, 47.73% of the respondents had been employed with their firms for 6-9 years. Whereas this constituted the larger percentage of the respondents, employees who have worked with their respective firms for less than 2 and 3 years constituted 4.55% and 6.82% respectively. Lastly, 25% of the respondents had worked with their firms for a period of 10 years and above while 15.91% of the sample had been with the company for a period five years. The results were as presented in table two and three below.

Table 2 Distribution of Respondents by Length of Employment

| Length of Employment | Frequency | Percent (%) |
|-----------------------------|------------------|--------------------|
| Below 2 Years | 2 | 4.55 |
| 2-3 years | 3 | 6.82 |
| 4-5 years | 7 | 15.91 |
| 6-9 years | 21 | 47.73 |
| 10 years & above | 11 | 25 |

The survey collected data from companies drawn from different industries based on the conviction that diversified fields would give an elaborate and more extensive research perspective. The main industries of interest included food and beverage, building and construction, energy and pharmaceuticals. The frequency of the industries sampled is as shown in table 3 below.

Table 3 Respondent Distribution by Industry

| Industry | Frequency | Percent (%) |
|-------------------------|------------------|--------------------|
| Food and beverage | 20 | 45.45 |
| Building & Construction | 6 | 13.63 |
| Energy | 6 | 13.63 |
| Pharmaceutical | 12 | 27.27 |

4.2 Human resource strategic Orientation (HRSO)

The researcher relied on a number of indicators to carefully examine the plausible relationships between the study variables. Given the two fold nature of the study, the survey opted to explore the various features and aspects that define soft and hard HR orientations. The mean and the standard deviation for the data collected are represented in the table 4 below.

Table 4 Means and Standard Deviations of Measures of HRSO

| Measures of HRSO | Mean | Std dev |
|---|-----------------|----------------|
| Our training practices are geared towards developing loyal and committed employees. | 3.68 | 0.93 |
| Our human resource recruitment process is based on a fit between individual's personality and organizational values. | 4.11 | 0.81 |
| Our performance appraisal system is largely focused on the performance and employee's career needs. | 3.91 | 1.05 |
| Our compensation system recognizes not only employee's performance but also competence | 3.70 | 0.98 |
| This organization rewards employees for extra effort that is beyond their job description | 3.6 | 0.94 |
| Employee involvement, participation and communication that drives commitment | 2.41 | 0.97 |
| Training and Development to meet the needs of the individual and the organization | 3.68 | 0.93 |
| HR department in our organization is responsible for organization development that generates the culture of the firm. | 3.95 | 1.12 |
| This organization considers employees as factors in the production process. | 4.11 | 0.89 |
| Our organization ensures good employee relations exist and its employees are managed appropriately. | 4.02 | 0.91 |
| Our staff must have the skills and knowledge needed to provide better results for Corporate Social Responsibility | 2.73 | 1.28 |
| Productivity and efficiency improvements are emphasized to every staff for industry competitive wage and salary increment | 3.36 | 1.01 |
| Our organization conducts Compulsory redundancy checks every year. | 3.52 | 1.19 |
| The workforce is involved only in workplace productivity improvements, they are not involved in decisions about workplace change or performance measurement | 2.41 | 0.93 |
| Performance pay is mainly based on individual rather than group or organizational performance. | 3.77 | 1.10 |
| Grand Mean | 3.530667 | |

Analysis of Key Performance Indicators (KPIs) as fundamental benchmarks on which to appraise an organization’s overall performance was employed. The researcher singled out staff turnover, organization profits, increased firm stock price, increased market share and overall workforce efficiency as the major performance indicators. The data obtained was analyzed using mean and standard deviation. The results used are as presented in table 5 below

Table 5 Means and STD Deviations for measures of Performance

| | Mean | STD Dev |
|---|-------------|----------------|
| Reduced employee turnover | 3.84 | 0.86 |
| Increased profitability of the organization | 2.93 | 1.17 |
| Increased company share price | 2.48 | 1.05 |
| Increased share of market of the products sold by the organization | 2.89 | 1.22 |
| Improved efficiency of the firm is as a result of human resource strategic practices and policies | 3.36 | 1.01 |
| Grand Mean | 3.1 | |

4.2.1 HRSO Indicators analysis

The study explored employee training as a key element of HR orientations. In the questionnaire, the researcher aspired to establish if the organization trained their employees and the focus of the training. Overall, the results were representative of the varying nature of the firms evaluated.

Focus on the implications of training on the overall realization of the organization goals guided the researcher to explore the link between the two variables. The survey established that most of the respondents believed their respective organizations had training programs designed to improve employee performance and ensure organization efficiency. In addition, the study explored the management’s recruitment of employees based on personality and the desired organization goals, commitment to creating an organization culture, consideration of employees as major factors of production and inclusion of employee in relation to creating an effective workforce.

Employee inclusion in organization decision making was a key element that distinguishes the two HR orientation. While employee inclusion is a key indicator of the HR orientation strategy, it is possible to relate the performance of any organization to other factors.

The researcher evaluated the perceived level of employee inclusion to establish a possible link. The results indicated that most respondents did not agree. This is as shown in the table 4 above. From the data collected, the researcher noted that a half of the sampled population believed that their respective organizations do not include employees in decision making.

The research further explored the respondents' perception on the organization's reward systems to establish whether they employ soft or hard HR systems. From the data analyzed in the present study, the respondents showed agreement in relation to employee reward system, and the contribution to the performance of the organization. The average response rate for the variable indicated that the sampled organizations have training and reward schemes designed to ensure increased individual employee capabilities and skills. Table 4 above gives an overview of the data collected.

4.3 Human Resource Strategic Orientation and Performance Results

The effectiveness of various business strategies is often measured in relation to their implications for organization's performance indicators. Essentially, the researcher explored the respondents' views on the impact of HRSO orientation on organization KPIs. The researcher explored the level of respondent's agreement with the assertion that the organization's HRSO orientation has impacts on the overall organization performance. The table 5 shows the results obtained from data analysis.

The efficiency of an organization is undeniably a fundamental measure of its success and performance. The researcher evaluated the impact of HRSO orientation on the efficiency of the medium manufacturing firms in Nairobi. 47.73% of the sampled population felt that the efficiency of the firm depends on the HRSO strategies companies employ.

The aim of this research was to enable the researcher identify any correlations between HRSO and organization performance in the various companies sampled for the present study. The respondents' reply on the impact of organization HR orientation on the performance of company share price was of critical concern to the study. The results registered a mean of 2.48 and a

standard deviation of 1.05. The results are reported in this thesis in table 4 above. In addition, the researcher explored product market share as a KPI indicator in an attempt to establish a plausible correlation between the dependent and independent variable.

KPI indicators provided a benchmark against which to evaluate the impacts of the various human resource strategic aspects on the performance of an organization. In order to understand the relationship between HRSO and organization performance, the researcher evaluated the impact of the independent variables (HRSO) on the dependent variables (KPIs). Simple linear regression analysis was employed to establish the effects of HRSO on the performance of medium manufacturing firms in Nairobi. The results are presented in table 6.

Table 6 Regression Results for the Effect of HRSO on Firm Performance

| Model Summary | | | | | |
|---------------|-----------------------------|------------|---------------------------|----------------------------|------|
| Model | R | R –Square | Adjusted R-Square | Std. Error of the estimate | |
| | .36 | .13 | .02 | 1.00 | |
| ANOVA | | | | | |
| Model | Sum of Squares | df | Mean Square | F | Sig. |
| Regression | 5.84 | 5 | 1.7 | 1.16 | .347 |
| Residual | 38.34 | 38 | 1.01 | | |
| Total | 44.18 | 43 | | | |
| Coefficients | | | | | |
| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | B | Std. Error | Beta | | |
| (Constant) | 3.86 | 1.31 | .00 | 2.95 | .86 |
| HRSO | 0.64 | .82 | .55 | 2.52 | .105 |

Dependent Variable: Organization Performance

Predictors: Constant; HRSO

Firm performance was regressed on human resource strategic orientation to establish its effect on performance of the firms in the study. The regression results are presented in table 6.

ANOVA results in the table show an insignificant F –ratio ($F = 1.16, P > 0.05$), implying lack of goodness of fit of the regression model. A paltry 13% of variation in performance is explained by human resource strategic orientation ($R^2 = 0.13, P > 0.05$). Further, 0.64 of change in firm performance can be attributed to unit change in human resource strategic orientation ($\beta = 0.64, t = 2.52, P > 0.05$). These regression results suggest that human resource strategic orientation is not an important factor in the performance of the medium manufacturing firms in Nairobi, Kenya.

4.4 Discussion of the Findings

The analysis did not find significant results for the effect of HRSO on performance of medium manufacturing firms in Nairobi, Kenya. It was noted that most organizations considered employees as factors in the production process and human resource recruitment process was based on a fit between individual's personality and organizational values as shown in table 4.

The impact of HR strategic orientation on organizational performance has been widely studied. Interestingly, most of the findings of the previous studies have shown a positive correlation between improved organization performance and a firm's preferred HR approach. The preset study was informed by the results of previous studies which found that human resource strategic orientation was at the core of firm success.

The research findings showed that organization performance partly depended on reward, training and motivation of the employees. The survey established that most of the respondents believed that top management had strict control over the employees (59%). This proportion represents respondents who agreed and those who strongly agreed with the pertinent statements. Also, the study established that the respondents believed that employee recruitment strategies in the sampled firms consider personality and organization goals. This was represented with a mean of 4.11 and a standard deviation value of 0.81 as captured in table 4 above. The statements whose analysis and results are presented above were some of the measures or indicators of human resource strategic orientation.

Previous studies have confirmed that reward and compensation regimes are key indicators of soft and hard HR orientations. This study examined the link between HRSO and firm performance. Researcher's hypothesis that organization performance as a construct is directly dependent on the organization's HR orientation. Was not confirmed R-square was positive but insignificant as depicted in table 6. This also applies to beta coefficient.

In conclusion, the means and std deviations for measures of medium manufacturing firms in Nairobi, Kenya were low (see table 4). "Reduced employee turnover" registered higher mean of 3.84 than the rest, followed by "improved efficiency of the firm" which had a mean of 3.36 (see table 5). These findings imply that the firms targeted in this study need to pay more attention to other indicators of performance that had lower mean performance. This will help improve their overall performance.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of research findings, conclusion of the study, recommendations for policy and practice, limitations of the study, and suggestions for further research.

5.2 Summary of findings

The main objective of the study was to establish the influence of human resource strategic orientation on the performance of medium manufacturing firms in Nairobi. The study explored the respondents' perception of organization HR orientation with the aim of establishing the relationship between HRSO of medium manufacturing firms in Nairobi.

The respondent's difference in age was noted with those under 21 years recording 0% while those of 21 -34, 35 -44, 45-54 and 50 and above were at 11%, 30%, 36% and 23% respectively (see table 1). Notably, the study revealed that distribution of respondents by length of employment of most individuals under 2-3 years, 4-5 and below 2 years of length were few as compared to those of 6-9 years and 10 years and above that had high whose frequencies (see table 2).

Distribution of respondents by industry, food and beverage registered high frequency with the lead in 45.45%, followed by Pharmaceutical industry at 27.27%. Building and construction industry pared at 13.63% each (see table 3).

Regression of firm performance on human resource strategic orientation yield insignificant results as shown by R^2 (0.13, $F=1.16$, $P<0.05$) and very low and insignificant β coefficient (0.064, $t=2.52$, $p>0.05$).

5.3 Conclusion

The research objective was to determine the effect of human resource strategic orientation (HRSO) on performance of medium manufacturing companies in Nairobi, Kenya. From the descriptive statistics in table 4, it is concluded that measures of HRSO as captured by mean scores vary in strength. For example, recruitment process based on the fit between individual's personality and organizational values; and consideration of employees as factors in production

process both had mean score of 4.11 while employee involvement, participation and communication had a low mean score of 2.41.

5.4 Limitations of study

The researcher encountered a number of challenges that could have had negative effect on the results of the study. Notable limitations included uncooperative respondents and the sample size.

5.5 Recommendations

Based on the findings of the study, the researcher recommends that:

The firms in this study should address employee involvement, participation and communication in order to drive commitment to enhance proper coordination within the organizations.

5.7 Recommendations for further study

The present research explored the effect of HRSO on the performance of medium manufacturing firms in Nairobi. The researcher believes that future studies should include a larger sample and a service industry to determine if the results would be the same.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Section 1: General Information

1. What is your age?

Under 21 21 to 34 35 to 44

45 to 54 55 or older

2. What industry' does your company operate in

Food & Beverage Building & construction

Energy Pharmaceutical

3. How long have you worked for the present company?

Bellow 2 years

2 -3 years

4-5 years

6-9 years

10 years & above

4. What section or department do you work in

Human Resources Marketing

Operations Other (Specify _____)

Section 2: Please tick one cell to rate the extent to which each statement in the matrix below applies to your organization. Use a scale of 1-5, where 1- Very Less extent, 2- Less Extent, 3- Moderate extent, 4- Great extent, 5- Very great extent

| Human Resource Strategic Orientation | 1 | 2 | 3 | 4 | 5 |
|--|----------|----------|----------|----------|----------|
| Our training practices are geared towards developing loyal and committed employees. | | | | | |
| Our human resource recruitment process is based on fit between individual's personality and organizational values. | | | | | |
| Our performance appraisal system is largely focused on the performance and employee's career needs. | | | | | |
| Our compensation system recognizes not only employee's performance but also competence | | | | | |
| This organization rewards employees for extra effort that is beyond their job description | | | | | |
| Employee involvement, participation and communication to derive commitment | | | | | |
| Training and Development is undertaken to meet the needs of the individual and the organization | | | | | |
| HR department in our organization is responsible for organization development that generates positive culture of the firm. | | | | | |
| This organization considers employees as factors in the production process. | | | | | |
| Our organization ensures good employee relations exist and its employees are managed appropriately. | | | | | |
| Our staff must have the skills and knowledge needed to provide better results for Corporate Social Responsibility | | | | | |
| Productivity and efficiency improvements are emphasized to every staff for industry competitive wage and salary increment | | | | | |

| | | | | | |
|---|--|--|--|--|--|
| Our organization conducts Compulsory redundancies every year. | | | | | |
| The workforce is involved only in workplace productivity improvements, they are not involved in decisions about workplace change or performance measurement | | | | | |
| Performance pay is mainly based on individual rather than group or organizational performance. | | | | | |

Section 3: Performance Measures

Please tick one cell to rate the extent to which each statement in the matrix below applies to your organization. Use a scale of 1-5, where 1- Very Less extent, 2- Less Extent, 3- Moderate extent, 4- Great extent, 5- Very great extent

| | | | | | |
|---|--|--|--|--|--|
| Low employee and staff turnover | | | | | |
| High profitability | | | | | |
| High in share prices of the company | | | | | |
| High share of market of the products sold by the organization | | | | | |
| Delivery of overall company strategy is high | | | | | |
| Improved efficiency of the firm is as a result of human resource strategic practices and policies | | | | | |

Thank you for your kind cooperation

APPENDIX II: SAMPLE OF MEDIUM MANUFACTURING FIRMS IN NAIROBI

| No. | Company | No. | Company |
|------------|------------------------------------|------------|--------------------------------|
| 1 | All Pack Industries | 25 | Crown Paints Kenya LTD |
| 2 | Africa Packaging Industries Ltd | 26 | East Africa Packaging |
| 3 | Auto Springs Manufacturers LTD | 27 | Excel chemicals LTD |
| 4 | Bayer EA LTD | 28 | Farmers choice ltd |
| 5 | Unga Group Ltd | 29 | General Motors East Africa Ltd |
| 6 | Bag and Envelop Converters Ltd | 30 | Sadolin Paints (EA) LTD |
| 7 | Brookside Dairy Ltd | 31 | Petco Industries LTD |
| 8 | Hack industries | 32 | Signode packaging systems LTD |
| 9 | Kapa Oil Refineries | 33 | Ozzbeco Kenya ltd |
| 10 | Kenbro Industries LTD | 34 | Osho Chemicals |
| 11 | Kenpoly Manufacturers LTD | 35 | Manufacturers & Supplies LTD |
| 12 | Kenya Litho LTD | 36 | Rockbern Coffee LTD |
| 13 | Kenya Nut company LTD | 37 | Pipe Manufacturers |
| 14 | Tarpo industries LTD | 38 | PZ Cussons (EA) LTD |
| 15 | LG Harris & Co. (EA) LTD | 39 | Mann Manufacturing CO.LTD |
| 16 | Mabati Rolling Mills Lt | 40 | TechPak Industries LTD |
| 17 | Manji Foods industries LTD | 41 | Tetra packaging LTD |
| 18 | Mastermind Tobacco (K) | 42 | Unilever Kenya LTD |
| 19 | British American Tobacco Kenya Ltd | 43 | Wringly (EA) LTD |
| 20 | Modern Lithographic | 44 | Stat pack Industries LTD |
| 21 | Nestle Foods LTD | 45 | Cooper K-Brands Ltd |
| 22 | Orbit chemicals | 46 | Cartubox Industires (E.A) Ltd |
| 23 | Coca Cola company | | |
| 24 | Colgate-Palmolive EA | | |

APPENDIX III: LIST OF MEDIUM MANUFACTURING FIRMS IN NAIROBI

| No. | Name of Company | No. | Name of Company |
|-----|--|-----|-------------------------------------|
| 1 | Bayer East Africa Ltd | 67 | East Africa Portland Cement Co. Ltd |
| 2 | Eastern Produce Kenya Ltd (+ Kakuzi Ltd) | 68 | BOC Kenya Ltd |
| 3 | Colgate Palmolive (E.A.) Ltd | 69 | Cooper K-Brands Ltd |
| 4 | Athi River Mining Ltd | 70 | Corn Products Kenya Ltd |
| 5 | Nairobi Flour Mills Ltd | 71 | Mastermind Tobacco (k) Ltd |
| 6 | Bamburi Cement Ltd | 72 | Consumer Products Ltd |
| 7 | London Distillers Co. Ltd. | 73 | Osho chemicals industries ltd |
| 8 | United Bag Manufacturers Ltd | 74 | Colour Print Ltd |
| 9 | Aquamist Ltd | 75 | Ken-Knit (Kenya) Ltd |
| 10 | Carton Manufacturers Ltd | 76 | Toyota East Africa Ltd |
| 11 | Pipe Manufacturers Ltd | 77 | Africa Apparels EPZ LTD |
| 12 | Kentainers Ltd | 78 | Cartubox Industires (E.A) Ltd |
| 13 | Auto Spring Manufacturers Ltd | 79 | Africa Packaging Industries Ltd |
| 14 | All Pack Industries | 80 | Alltex EPZ Ltd |
| 15 | Kenpoly Manufacturers Ltd | 81 | Spin Knit Limited |
| 16 | Associated Battery Manufacturers | 82 | King Plastic Industries Ltd |
| 17 | Eldoret Grains Ltd. | 83 | Plastics and Rubber Industries Ltd |
| 18 | Premier Flour Mills Co. Ltd | 84 | Packaging Industries Ltd. |
| 19 | East African Foundry Works (k) Ltd | 85 | Kingsway Tyres and Automart Ltd |
| 20 | East African Cables Ltd | 86 | Pembe Flour Mills Ltd |
| 21 | PCTL Co. Ltd. | 87 | Steelwool (Africa) Ltd |
| 22 | Bata Shoe Co. (K) Ltd | 88 | Unga Group Ltd |
| 23 | East Africa Tanners (k) Ltd | 89 | Proctor and Allan (E.A) Ltd |
| 24 | Orbit Chemicals Ltd. | 90 | Orbit Engineering Ltd |

| | | | |
|-----------|----------------------------------|------------|--|
| 25 | Reliable Engineering Co. Ltd. | 91 | Petco Industries Ltd |
| 26 | Chemicals and Solvents (E.A) Ltd | 92 | Mabati Rolling Mills Ltd |
| 27 | Kenchic Ltd | 93 | Nestle Foods Kenya Ltd |
| 28 | Johnson Diversey East Africa ltd | 94 | Nails and Steel Products Ltd |
| 29 | Crown Paints Co. Ltd. | 95 | Manufactures and Suppliers (k) Ltd |
| 30 | Nairobi Bottlers Ltd | 96 | Impala Glass Industries Ltd |
| 31 | Manji Food Industries Ltd | 97 | Oilibya (K) Ltd. |
| 32 | Koba Waters Ltd | 98 | General Motors East Africa Ltd |
| 33 | Vitafoam Co. Ltd. | 99 | Kenya Shell Ltd |
| 34 | Kenya Wine Agencies Ltd | 100 | Friendship Container Manufacturers Ltd |
| 35 | Jambo Biscuits (k) Ltd | 101 | Holman Brothers (E.A) Ltd |
| 36 | Kapa Oil Refineries | 102 | Kens Metal Industries Ltd |
| 37 | Kenya Tea Development Agency | 103 | Steel makers Ltd |
| 38 | Crown Berger Kenya Ltd | 104 | Optimum Lubricants Ltd |
| 39 | Midco Textiles (EA) Ltd | 105 | Riziki Manufacturers Ltd |
| 40 | Kartasi Industries Ltd | 106 | Bags and Bailers Manufactures (K) Ltd |
| 41 | Le-Stud Ltd | 107 | Cosmos Ltd |
| 42 | Nation Media Group Ltd. | 108 | Brookside Dairy Ltd |
| 43 | Spinners and Spinners Ltd | 109 | Glaxo Smithkline Kenya Ltd |
| 44 | Tetra Pak Ltd | 110 | Pharmaceutical Manufacturing Co. (k) Ltd |
| 45 | Bag and Envelop Converters Ltd | 111 | Cadbury Kenya Ltd |
| 46 | Modern Lithographic Co. Ltd | 112 | Beta Healthcare International Ltd |
| 47 | Straightline Enterprises Ltd | 113 | British American Tobacco Kenya Ltd |
| 48 | The Standard Ltd. | 114 | Printpak Multi Packaging Ltd. |
| 49 | Economic Housing Group Ltd | 115 | Polythene Industries Ltd |

| | | | |
|-----------|-------------------------------|------------|-------------------------------------|
| 50 | Eastern Produce (K) Ltd. | 116 | Hack Industries Kenya Ltd |
| 51 | Kakuzi Ltd | 117 | Coca Cola East Africa Ltd |
| 52 | Furniture International Ltd | 118 | Nairobi Plastics Ltd |
| 53 | East African Breweries Ltd | 119 | Timsales Ltd |
| 54 | General Plastics Ltd | 120 | Chemical and Solvent Industries Ltd |
| 55 | Sameer Africa Ltd | 121 | Kenya Nut company LTD |
| 56 | Excel chemicals LTD | 122 | Ozzbeco Kenya ltd |
| 57 | Kenbro Industries LTD | 123 | Wringly (EA) LTD |
| 58 | Excel chemicals LTD | 124 | LG Harris & Co. (EA) LTD |
| 59 | Kenya Litho LTD | 125 | Tarpo industries LTD |
| 60 | Signode packaging systems LTD | 126 | Osho Chemicals |
| 61 | Metal crown LTD | 127 | East Africa Packaging |
| 62 | Farmers choice ltd | 128 | Sadolin Paints (EA) LTD |
| 63 | Rockbern Coffee LTD | 129 | Signode packaging systems LTD |
| 64 | PZ Cussons (EA) LTD | 130 | Mann Manufacturing CO.LTD |
| 65 | TechPak Industries LTD | 131 | Unilever Kenya LTD |
| 66 | Wringly (EA) LTD | 132 | Stat pack Industries LTD |

Source: Kenya Association of Manufacturers (KAM, 2016)