

**INFLUENCE OF STRATEGIC MANAGEMENT OF HUMAN  
RESOURCES ON PERFORMANCE OF SOCIÉTÉ GÉNÉRALE DE  
SURVEILLANCE (SGS) KENYA LIMITED**

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## DECLARATION

I declare that this Research Project is my original work and has not been presented for any award in any other academic institution.

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## **DEDICATION**

This project is dedicated to my family, my sisters Judith Nagery and Lillian Nagery and my current supervisors at RTI International Dorothy Kittany and Lydia Were. They have persevered the long hours I have had to put on the project may God bless them.

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## **ABBREVIATIONS AND ACRONYMS**

<b>HR</b>	Human Resource
<b>SGS</b>	Société Générale De Surveillance
<b>SHRM</b>	Strategic Human Resource Management
<b>KPI's</b>	Key Performance Indicators
<b>HRM</b>	Human Resources Manager
<b>SMT</b>	Senior Management Team

## **ABSTRACT**

The business economic environment has in the past few years experienced rapid growth and change owing to changes in the global market, customer demands, investor demands, technology and competition. Any establishment to survive in such a turbulent environment needs to understand how they can enhance the quality of things offered. The human resource are the people considered the most important resource in the establishment because they are deemed to be the cornerstone of the success of the establishment. Strategic human resource management (SHRM) looks at being a strategic partner in the business environment by facilitating achievement of business goals. SHRM plays critical role in realization of the goals of an establishment and has the potential to boost the performance of an establishment. The aim of the investigation was to investigate the bearing of SHRM on performance of SGS Kenya. This investigation utilized a case study design and it was carried out in Société Générale De Surveillance (SGS) Kenya. An interview guide was employed to solicit information on different aspects on adoption of SHRM practices and how they influence performance. This investigation utilized data from primary sources, where collection of the primary data was undertaken by the research by having in person interviews. The research participants for the investigation were five managers of the establishment involved in SHRM practices in the establishment. Data was recorded in form of notes during the interview process which was undertaken by the researcher. The investigation found that the establishment has utilized SHRM for development of valuable HR capabilities, through formulation and execution of HR strategies and plans. It confirmed that the establishment is committed in utilization of SHRM, through strategic recruitment and selection of staff of the establishment and adopting various SHRM practices. The establishment strategically undertakes its recruitment to ensure competent staff with the right competencies and skills are capable in the implementation of the establishment strategy and achievement of business goals. The establishment has a formal and strategic process of appraising the performance of staff quarterly and annually, a compensation and reward structure where compensation is done through both monetary and non-monetary means, cultivates a productive and performance oriented culture. Implementation of SHRM practices had positively influenced performance of the establishment. SHRM was found to create and adds value to the achievement of establishment and its overall strategy. This was through the contribution of SHRM different aspects in the establishment, which included relevance, effectiveness as well as financial feasibility. The investigation recommends that Human resource managers provide trainings and ensure strict entrenchment of staff development in their plans.



# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background of the Study**

The economic environment has in the past few years experienced rapid growth and change owing to changes in the global market, customer demands, investor demands, technology and competition. Therefore, for any establishment to survive in such a turbulent environment, they need to understand how they can improve the quality of goods and services offered, enhance productivity, manage costs and stay up to speed with innovation. The human resource are the people considered the most important resource in the establishment because they are deemed to be the cornerstone of the success of the establishment (Caliskan, 2010). Strategic human resource management (SHRM) looks at the being a strategic partner in the business environment by acting not just as a support role.

Eneh and Awara (2016) indicate the SHRM is staring at an opportunity at being a strategic partner in contributing to the challenges of an establishment as well as providing an opportunity for growth. Human resource managers are finding themselves in the position where they have to spend more time understanding the business strategy, competitors in the HR field, the opportunities provided by technology and the customers in order to align the human resources in the establishment with the goals of the company. The measurement of the efficiency of SHRM will provide an opportunity to not only maintain a competitive edge but enhancing the value of the firm's bottom lines (Wright, McMahan & McWilliams, 2014).

Performance in every establishment is crucial with establishments existing in a bid to maximize the wealth of the shareholders by maximizing profits and minimizing costs. Such efficiency can only be achieved through the acquisition and the management of the best human resource talent (Argue, 2015). According to Mansour (2015) the tenets of SHRM are pegged on the ability of establishments to understand its effectiveness in operations. SHRM is a tool which when tactfully applied has the potential to provide an entity with the opportunity to attract, retain, and motivate the existing work force of the establishment. In addition, they need to strategically manage the human resource activities to ensure there is continued wellness, training, company development and communication if they are to attain growth (Mansour, 2015). However, SHRM comes with a cost either in the time spent or the resources applied. It therefore calls for research to understand how SHRM can be applied and whether the efforts driven yield a benefit to the establishment.

The investigation was based on the Porters model of differentiation which emphasizes the need to encourage the staff in the establishment to create value to consumers through differentiation and to understand that there is a need to understand the strengths and weaknesses of the establishment in order to have a leverage and maximize on value. The investigation was similarly based on the contingency theory that indicates that there is no one standard way of doing things and it is key to combine various human resource management strategies in order to maximize the wealth of the establishment. The investigation was further be based on the reinforcement theory looks into the impact of behavior and the consequences. The theory shed light on whether the ability to strategically manage human resource has the potential to maximize the wealth of the company.

The investigation context was the logistics sector, which is involved in facilitating logistics and prevention of loss of money and property by importers. Human resources play a critical role in this function, in generating sustained competitive advantage and overall company success. This calls for the management of human resources in the establishment to be aligned with the overall corporate strategy. The strategic importance of human resource management practices and its contribution to the establishment performance in relation to the logistics industry is the focus of this investigation. Against this background, this investigation aims at investigating the influence of Human Resource on performance at Société Générale De Surveillance (SGS) Kenya.

### **1.1.1 Strategic Management of Human Resources**

Strategic management is defined as the process where establishments learn from their internal and external environment in the formation of the company direction, the establishment of goals and the execution of strategies to satisfy the needs of the various stakeholders (Damilola *et al.* 2015). Human Resource Management is the process of implementing the management principles for management of the establishment workforce. It involves hiring of manpower, the development of the manpower and its retention with the view of making the manpower more efficient (Kessler, 2013). HRM is concerned with employee relations, is reactive and short term. Unlike HRM, SHRM is the process of alignment of the business strategy with the establishment human resource practices with the objective of attaining strategic goals of the establishment. The manpower of the establishment is managed proactively in SHRM (Altarawneh, 2016). SHRM is a transformation in the field of human resource. It puts a focus on aligning the human resource in the establishment in order to gain a competitive advantage (Caliskan, 2010).

The role of SHRM is expected to achieve the objective of investing in people and aligning their skills to the needs of the establishment. Further, it is expected to identify knowledge available in the market that meets the needs of the consumers. Caliskan (2010) further indicates that SHRM is key in ensuring that there is a link between the human resource acquired by the establishment and business strategy.

Eneh and Awara (2016) look at SHRM as a strategic approach towards treating the staff in the establishment as assets who through their independent and collective efforts contribute to the achievement of the goals of the establishment. SHRM is seen as the center to either the success or failure of the establishment as they are the persons that facilitate the performance of tasks in the company. Khandekar and Sharma (2013) indicate that there research on human resource management has been a dominating issue since the 1990's with the aim to explore whether it makes a difference on the performance of the firm.

Loshali and Krishnan (2013) makes an emphasis on aligning SHRM with the goals of the establishment if success is to be achieved. The investigation calls for the need to create sustainable improvements in the business through creation of strategic business partners, development of a work force competency model, structuring the strategic functions of HR and using the structure to drive the roles of HR including training and development of staff in the establishment.

### **1.1.2 Firm Performance**

The issue of the performance of an establishment is of great interest to scholars and managers (Njoroge, Ongeti, Kinuu, & Kasomi, 2016) (Njoroge, Ongeti, Kinuu & Kasomi, 2016). It has over the years been studied as a dependent variable with the aim of

understanding the different variables that influence it. The definition of the term establishment performance has been debated across the years owing to its different interpretations with no universally accepted definition (Gavrea, Illeas & Stegerean, 2011). Performance of an establishment tries to establish whether an establishment is reaching its vision, mission, and goals. The term has been defined based on various dimensions including a performance as a set of financial and non-financial variables which give the information on the level that an establishment has managed to achieve its objectives.

The performance of an establishment is considered a key metric in the management of an establishment. Performance in the establishment is based on the output of people or the team based on set goals and objectives. Performance is related to the ability of an establishment to achieve its strategic and financial objective (Li et al., 2006). Performance is an integral part of management of an establishment and has traditionally entailed accountants setting budgetary requirements and controls. Further, it called for development of financial indicators such as return on investments. There are however various performance measurement standards and tools that have been devised over the years including business excellence models, charter mark, ISO 9000 and the balanced score card.

Measurement of firm performance has been an area of debate in many studies. The performance of an entity can be pegged to the intermediate employee outcomes in terms of turnover and the level of productivity or can be measured in financial terms. Some of the most defensible performance measures include human resource absenteeism, staff turnover, and the level of individual and team performance. The second measure is based on company outcomes including level of productivity and the quality of service. The third measure is based on financial outcomes which entails the computation of ratios such as

return on assets. A fourth possibility that has been explored in looking at performance has been the measurement of stock value in the securities market. The investigation on SHRM focusses on the primary outcomes of the establishment such as on productivity, motivation and only marginally on the other performance measures.

### **1.1.3 SGS Kenya**

SGS Kenya is a company that deals with the inspection, verification, testing and certification (SGS Kenya, 2019). SGS Kenya has been in operation in Kenya since the 1950's and has grown over the years to an international company with over 2600 offices around the world and 97,000 staff. SGS Kenya was established based on the need to ease logistics and to prevent importers from losing money and property by ensuring that inspection, verification, testing and certification is done and the quality of products is of the value indicated. The company from the periods of formation positioned itself for growth based on the opportunities presented. The company has over the years sought to go over and beyond to deliver beyond the expectations of the customers and the society (SGS Kenya, 2019).

SGS Kenya hold their staff with high regards and goes ahead to ensure that they are provided with a safe working environment and have the core value of ensuring that they make SGS a great place to work. Further, they employ a rigorous recruitment process that is meant to ensure that the establishment selects creative and innovative people with the potential and passion to learn and grow the establishment (SGS Kenya, 2019). However, the role that strategic human resource plays in enhancing the performance of the establishment has received little attention especially being in the logistics field. It is this gap that the investigation sought to address through the various research objectives.

## **1.2 Research Problem**

The motivation of this investigation is that SHRM plays critical role in realization of the goals of an establishment. There is the belief that SHRM has the potential to enhance the performance of an establishment. According to Kimani (2010) human resource in the establishment provides an opportunity to shift the dynamics of the operations of the establishment. Human resource strategic management has the potential to yield growth and bring provide an array of innovations to an establishment. It is the human resources that are responsible for decision making and taking responsibility for the performance of an establishment. SHRM calls for creating avenues to keep staff motivated, enhancing retention levels and cultivating an environment of productivity. Contextually, SHRM is a major concern for establishments like SGS, and it is a major concern especially in the environment of change which logistics companies face.

Sherafati and Mohammadi (2014) in their investigation found that SHRM can be used to enhance the productivity of the establishment if it is employed appropriately. Kimani (2010) found that SHRM has a negative impact on the performance of establishments. The investigation notes that it takes more than just SHRM as it requires bundling of various multidimensional internal and external factors in order for value to be achieved. The key goals of the human resource department is to enhance and maximize the performance of an establishment. However, there are few studies that have explicitly addressed the multidimensional role that strategic management plays in performance. There is minimal research explaining the role that the human resource management plays in recruiting, rewarding, planning and enhancing the productivity of an establishment, the profitability

and the competitive edge and consequently translating this into success in the establishment.

Loshali and Krishnan (2013) indicate that there is a need to extend parameters that link the role of HR with the profitability of the establishment. The investigation calls for investigating the impact of SHRM in specific business sectors such as IT and manufacturing. It is an indication that though the scholars have sought to understand the relationship between SHRM and performance, little effort has been directed towards the areas of manufacturing, IT and logistics. Kimani (2010) studied the impact of SHRM on multinational manufacturing companies in Kenya. The investigation observed that strategic adoption of HR in an establishment has the ability to influence performance. The findings of the investigation indicated that SHRM has a negative correlation with performance in the establishment. The investigation makes the recommendation for further research on influence of SHRM on performance of establishments. In a related investigation Muraga (2015) studied SHRM and performance of Parastatals in Kenya, with a focus on understanding the relationship between performance and training, recruitment performance management in an establishment as well as the capabilities of the human resource department. The findings of the investigation found that there is a positive significant relationship between training and performance of the establishment. Further, the investigation found that there is a direct positive relationship between compensation and firm performance.

Adhiambo (2011) investigated strategic human resource practices and performance of sugar manufacturing firms in Western Kenya. The investigation noted that firms in Kenya are currently facing a myriad of strategic management problems that have the potential to



be addressed through the understanding of SHRM. The findings of the investigation indicated that recruitment has a positive impact on company performance. The literature reviewed has notable gaps. Most of the studies on SHRM have been done with a focus on international establishments with a minimal focus on the Kenyan firms. No investigation reviewed has examined the influence of SHRM on performance in an establishment in Kenya. This investigation therefore endeavors to fill that knowledge gap by addressing the question: How does SHRM influence performance of SGS Kenya?

### **1.3 Objectives of the Investigation**

To investigate the influence of SHRM on performance of SGS Kenya.

### **1.4 Value of the Investigation**

The investigation on SHRM is critical to the larger body of policy makers and decision makers. The investigation produced knowledge that will be applicable outside the research setting in making policies in the establishment by key decision makers in the manner that they can leverage SHRM management to maximize potential, grow and stay relevant in the rapidly changing business environment. Further, it provides a basis for understanding the policies that are important to an establishment that provide an environment of excellence, growth and innovation.

The investigation provides knowledge to the staff and human resource practitioners of the establishment in bringing into understanding the importance of training, goal accomplishment and innovation in enhancing the value of the establishment and in improving the performance of the establishment. It is key for staff to understand their value and their input in the establishment as a key motivational and growth instrument. The

investigation further adds to human resources body of knowledge through the findings of this investigation. This investigation creates an opportunity to understand other areas that need attention through the recommendations of the investigation.it similarly opens avenues for discussion on issues of SHRM from the findings.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

Chapter two of this investigation looks into the literature review. The literature review is critical as it looks into scholarly papers to bring into perspective current and past findings on the area of investigation. The literature review looks into the theoretical framework, the factors influencing the performance of companies, empirical review and the conceptual framework.

#### **2.2 Theoretical Foundation**

The theoretical framework is key in research as it tries to introduce and explain the research problem in the investigation. The investigation was be hinged the contingency theory, the reinforcement theory and the Porters Model.

##### **2.2.1 Organizational Development Theory**

The company development theory was proposed by Lewin in 1930 (Kessler, 2013). The theory originates from studies on human relations studies when psychologists realized that the structures and processed in an establishment have the potential to determine the conduct of staff in an establishment (Alvesson and Sveningsson, 2015). The theory seeks to explain that the development and growth of an establishment is achieved through a long range of efforts that are directed towards improving the manner in which problems are solved in a company. Such problem solving processes require the efforts of HRM in the diagnosis of the problem in collaboration with establishment staff (Forbes, 2013). The HRM is tasked

with the role of constant analysis, action planning, execution and appraisal of their efforts to understand the achieved success rates.

Mclean (2006), indicates that the company development theory enables an establishment to create units that are viable and sustainable. The theory stipulates that establishments exist to achieve some economic goal and therefore has put in place measures of success. Further, establishments have devised methods of production that are meant to generate the most value. The staff in the establishments and the management are expected to be rational in their actions to ensure that they meet the economic principles of the establishment (Forbes, 2013). However, the staff of the establishment are likely to be more productive when they understand their role and the success definition of their company as their efforts are driven towards a common goal (Kiowi, 2014). The paradigm is pertinent in the investigation since it tries to describe the manner in which the human resource department in an establishment can develop the establishment by tapping into the abilities of the staff and work towards developing them. It calls for rationality in diagnosis of problems, planning and implementation of solutions if success is to be achieved (Scholz, 2017).

### **2.2.2 The Contingency Theory**

The contingency theory was proposed by Fielder in 1934. As per the contingency theory not a single standard approach exists in doing things and it is key to combine various human resource management strategies in order to maximize the wealth of the establishment. According to Stone and Smith (2009), historically, the employment relationship was bureaucratic and consisted of the employer following what was written in the contract. However, with time, establishments have been forced to acquire a wide variety of tactics

in handling staff which in turn has led to complexities in the manner that human resource management is administered. The theory is based on the assumptions that there is no single ideal manner of doing things and some manner of organizing in a company is not similarly efficient (Johnstone & Wilkinson, 2016).

Contingency theory makes the suggestion that in a bid for HRM to be effective, it is key that management skills be in consistency with the internal and the peripheral environment (Kiowi, 2014). The theory calls for interactions with the staff as opposed to simple linear relationships. The thought that one size fits all in a company is deemed inappropriate if the establishment is to successfully manage the HR role and ensure that the staff of the establishment are able to meet the company objectives. According to Wilkinson and Johnstone (2016), the inability of the establishment to achieve a fit between the internal and the external environment could ultimately lead to suboptimal performance in the establishment.

The emphasis of the theory is placed on the need to create matching models that are consistent with the establishment's strategy which drive the establishment towards managing costs, enhancing quality and encouraging innovation (Johnstone & Wilkinson, 2016). The theory is key in the investigation as it brings out the concept that SHRM has a myriad of unrealized significance and there is a lot of potential in unlocking such potential in a bid to enhance the performance of a company. Betts (2011) indicated that the theory is a powerful tool in the improvement of performance of the establishment and there is a need to do further research in how it can be utilized.

### **2.2.3 The Reinforcement Theory**

Reinforcement theory is a description of the manner in which people learn behavior and act based on it. Reinforcement theory looks into the manner in which an establishment can motivate staff and condition their behavior for future behavioral actions. The theory was proposed by Skinner in 1963 who indicated that in the process of motivating the staff of an establishment, the HRM can choose to implement either the strategies of positive reinforcement, negative reinforcement, punishment or extinction. In punishment, staff the HR person executing should be excited or satisfied as opposed to being aggressive with their actions. The theory stipulates that punishment is difficult as replication of punishment may not be easily achieved (Marciano, 2010).

Deci (2012) further indicates that extinction looks into lowering the probability that undesired behavior is experienced by removing possible rewards towards actions that may be undesired. The theory looks into the manner in which the human resource management strategically identifies what motivates the staff, how to involve the staff and the difficulties that may arise from the strategies chosen. According to Redmond (2010), the reinforcement strategy of management is considered unethical as it is viewed trying to impose behavior in people in order to manipulate their behavior. The reinforcement theory looks into the impact of behavior and the consequences. The theory shed light on whether the ability to strategically manage human resource has the potential to maximize the wealth of the company.

## **2.3 Strategic Human Resource Management and Performance**

Zehir, Gurol, Karaboga and Kole (2016) that SHRM requires the establishment to recognize how it can match talent to the operational needs of the establishment while at the same time ensuring development and retention. Caliskan (2010) indicates that there is a need for the HRM to create a flexible working environment that stimulates the interest of the staff and their ability to stay productive in the establishment. Further, SHRM calls for creating a platform for creating learning opportunities for the staff and enhancing the flow of knowledge and information. Such a culture keeps people updated and willing to learn to enhance their knowledge which could possibly translate to enhancing the growth of the establishment.

Becker and Huselid (1999) indicates that there is a need for the establishment to create a culture of support as they develop SHRM. Eneh and Awara (2016) indicates that the ability of the human resources department to explore key issues in the design of the firms approach to growth and processes place them at a strategic place where they can build growth routines in the establishment. Writings on the bearing of SHRM on performance especially in relation to quality of work, employee turnover, productivity and financial performance indicates conflicting arguments. Paul and Anantharaman (2003) indicates that proper SHRM provides unmatched change and potential for competitive advantage. However, Colakoglu et al (2009) indicates that there are no fixed methods of relating SHRM to the performance of the establishment.

In the establishment of the role of SHRM it is essential to understand the tenets that are important to the specific establishment. SHRM could be approached on the performance management systems of the establishment which looks into ensuring that the staff are constantly giving better results compared to the planned goals. The success of SHRM could

similarly be based on recruitment and retention of staff in the establishment and therefore acquiring people with attitude and behavior that is geared towards the success of the establishment. Further, the linkage could be sought from the tenets of learning and development which looks into creating and maintaining a work force of people that skilled, motivated and engaged to make sure the establishment's needs are met and that they stay ahead of the competition.

Shafiq and Hamza (2017) investigated the impact of training and development on performance of staff in a private firm in Malaysia. The investigation noted that staff of an establishment are a key asset whose role in an entity cannot be underestimated. The investigation variables included on the job training, off the job training, job enrichment and job rotation. The findings of the investigation indicated that all the variables had an unsubstantial bearing on staff performance except job enrichment. In another investigation on the bearing of training in a telecommunication firms in Uganda and found training to having a positive bearing on performance.

Training in an entity is seen as a platform that provides staff with an opportunity to acquire skills necessary to disseminate their tasks, acquire new skills to enhance innovation in the company and as a motivational tool. Training ensures that the weaknesses of staff are addressed and strengths are reinforced. Khan and Khan (2011) indicate that it is difficult for staff to utilize their maximum potential if they are not well trained in the firm. Further, consistency in training has the potential to enhance consistency in policies and procedures of the establishment which has the potential of brining financial gain to the company. According to Schraeder, Tears and Jordan (2005) training in the establishment has the potential to create a culture of awareness and acceptance of change in the company.



The human resource management in a firm needs to understand the manner in which they can utilize the variety of types of training to develop an atmosphere of holistic learning. Staff need to be provided with an opportunity to gain technical skills, soft skills, legal skills, safety skills and even managerial skills. Khan and Khan (2011) indicate that it is fundamental that an establishment designs training in an establishment according to the needs of the staff if maximum value is to be achieved. However, training similarly means that staff spend work hours in training which could be expensive to an establishment. Further, mandatory training in an establishment may not be in line to the needs of the specific employee meaning that it may not add value to their tasks dissemination. Khan and Khan (2011) calls the human resource management to be tactical in the manner that they deliver training to the staff. If training is not delivered correctly, then it is unlikely to capture the attention of the participants which would means that they are wasting their time. Efficiency looks into a firm utilizing their assets to attain the best performance goals. According to Anantharaman (2003) efficiency is about allocating resources in alternative uses in the establishment. Altarawneh (2016) indicates that efficiency and effectiveness are key indicators in the performance of an establishment. Efficiency ensures that an establishment is able to maximize on the level of output out of a given level of input. According to the Porters Total Productive maintenance system, an establishment should be able to minimize losses from by eliminating factors that lead to a reduction in yield. Further, the company should enhance the speed of tasks performance and create a system that has minimal stoppages that could be due to machine breakdown.

Shafiq and Hamza (2017) look at efficiency from the manner in which an establishment strategically creates structures in the establishment that are able to build the corporate and

employee styles. Further, there is a need to enhance efficiency through the manner in which the staff are motivated and are developed in their skills at work. The performance of the establishment is deemed to be a combination of company efficiency and effectiveness. Becker & Huselid (1999) call for the creation of an environment where the leadership tactic chosen in human resource management should be able to foster an environment of trust and confidence. Further, efficiency is seen in an environment where staff understand the overall goal of the company and clearly articulate the contribution of the staff towards that goal. An environment of trust creates efficiency and open communication which means that people are able to accomplish their tasks quickly through consultation as opposed to an environment with constrained communication.

Marciano (2010) indicates that it is the role of the management to ensure that the staff of an establishment have the ability to instantly receive information instantly in order to enhance innovation. Njenga (2015) indicated that innovation is becoming one of the single most important tool in ensuring that establishments are sustainable and profitable. Innovation looks into the ability of the establishment to create something different and that has an impact to the establishment and to the consumers. In the current age, staff working in an establishment are seeking to work in an environment that is not stuck on status quo but looks for different ways to utilize resources to gain more value to the establishment. Alkhazali and Halim (2015) indicate that a major drive of innovation lies in the manner that human capital is administrated in the establishment. The investigation notes that the human resource in the entity should be focused on ensuring that a culture of innovation is created and maintained. Company innovation in HR looks into creating a culture of generation of new ideas and behavior in the establishment. The depth of innovation should

be one that ensures long term profitability and not just the short term impact. The HRM approaches in the establishment including recruitment, training, performance, appraisal and compensation are in a manner that propels innovation in staff. Alkhazali and Halim, (2015) for example propose the use of performance based compensation which encourages the staff to stay creative in the establishment.

## **2.4 Empirical Review and Knowledge Gaps**

Internationally and regionally, Sherafati and Mohammadi (2014) reviewed the bearing of SHRM on company performance with a focus of the Tehran Stock Exchange Market. The investigation notes that in the recent past, human resources has taken the view of a strategic role and therefore intensifying interest in the area. The investigation sought to address the investigation by looking into the variables of competence, commitment and flexibility and collected data with the assistance of a questionnaire. The findings of the investigation noted that the commitment of the human resources in increasing the competence of the staff has the potential to boost establishments' performance. The investigation makes the recommendation that the human resource management needs to design programs that continually enhance the performance of the establishment.

Alkhazali and Halim (2015) analyzed the bearing of SHRM on firm performance in Jordan's corporate establishments. The investigation investigated environmental changes, competition in a bid to enhance innovation, changing customer demands. The investigation noted that measuring the company performance is challenging especially because firms have different means of determining success. For the investigation, firm performance was measured through the ability to meet employee satisfaction, corporate social responsibility

and the capacity to adjust to market changes. The investigation noted that the manner in which strategic human resource is delivered has the likelihood to have a positive bearing on the operational efficiency of the establishment. However, the impact can only be felt when SHRM is bundled with macro and micro economic factors in the environment (Boon, Hartog, & Lepak, 2019).

Altarawneh (2016) studied the manner in which SHRM influences the performance of firms in Saudi Arabia with a focus on targeted banks. The investigation noted that targeted banks adopt SHRM when they are seeking to gain long term benefits which is implemented in the form of policies and procedures. The process is usually hindered by the existence of limited budgets. However, the investigation noted that SHRM has the ability to positively impinge on the performance of banks. The investigation makes the recommendation that there is a need for further studies to understand the different factors in SHRM and the manner in which they influence performance of an establishment.

Locally, Kimani (2010) investigated the impact of SHRM on multinational manufacturing companies in Kenya with technology being a mediating factor. The investigation noted that it is a common belief that strategic adoption of HR in an establishment has the ability to influence performance. However, establishments rarely go the extra mile of establishing whether the SHRM actually translates to performance. Therefore, the investigation sought secondary and primary data collection with the assistance of questionnaires. Data analysis was done qualitatively and quantitatively through content analysis. The outcomes of the investigation indicated that SHRM has a negative correlation with performance in the establishment. The investigation makes the recommendation that establishments need to create a bundle of human resource management factors that influence performance. In a

related investigation, Muraga (2015) studied SHRM and performance of Parastatals in Kenya. The investigation with a focus on understanding the relationship between performance and training, recruitment performance management in an establishment as well as the capabilities of the HR department. The investigation noted in the problem statement that most of the studies on SHRM have been done with a focus on international establishments with a minimal focus on the Kenyan firms. The outcomes of the investigation found that there is a positive substantial link between training and performance of the establishment. However, recruitment was seen to have an insignificant link with the performance of establishments. Further, the investigation found that there is a direct positive link between compensation and establishment performance.

The investigation made a focus on quality of products in the establishment and the ability to come up with new products, effectiveness in operations, profitability and sales growth. The outcomes of the investigation pointed out that recruitment has a positive bearing on company performance. Training was seen to have a bearing on the nature of products generated and subsequently the performance of establishments. Flexible benefits in the establishment were seen to have the least bearing on the performance of the firms.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

Chapter three of the investigation addresses the procedure. Methodology looks into the manner that data was systematically collected, analyzed, and presented. The chapter similarly presents the tools that were used in data gathering, the investigation population and the rationale for the data collection techniques chosen.

#### **3.2 Research Design**

The key aim of the investigation was to understand the bearing of SHRM on performance of SGS Kenya. The research design relates to the arrangement of situation and analysis of data in a manner that it provides information that is relevant to an investigation. It is the plan, strategy and structure in which investigation is conceived in a bid to answer the research questions (Ikart & Ditsa, 2004). Research design has been seen as an operational plan and framework of the project and establishes the manner in which data was be collected. It ensures that data in the investigation is collected in an accurate and economic manner. It looks to address what the investigation is about, why the investigation is being done, the type of data required, where the data can be found, and the nature of the report that is to be generated.

This investigation utilized the case study as the research design. A case study is a form of qualitative investigation which involves a thorough and complete investigation of a single

social item be it a family, an individual, a social set, or a whole community or establishment (Kumar, 2014). Case study design was appropriate since it provided a thorough exploration of a particular element (Société Générale de Surveillance (SGS) Kenya) thereby emphasizing on depth rather than breadth analysis.

### **3.3 Data Collection**

Data collection embroils the procedure of amassing evidence to confirm the insights of a phenomenon (Mugenda & Mugenda, 2003). The investigation employed primary sources of data. Primary data was collected through in person interviews that was undertaken by the investigator. The research participants for the investigation were 5 managers of the establishment involved in strategic management activities of the establishment. These were Customer Service Manager, Senior Accountant and Team Leader, Procurement Manager, Human Resource Manager and Operation Manager. The investigation employed an interview guide to amass information.

### **3.4 Data Analysis**

Completeness and consistency of data sourced was undertaken. Content analysis was utilized as it provided the researcher with a qualitative picture of the respondent's concerns, thoughts, and state of mind utilized as it helped it helped in developing inferences by objectively ascertaining particular information and linking the same to happening trends. Content analysis is useful for conducting research in establishments since it gives allowance to the researcher to recover and undertake examination of the nuances of establishment behavior, the perceptions of the stakeholders and the societal trends (Krippendorff, 2009).

During the interview of the research participants, the researcher recorded notes. After the interviews, the researcher thoroughly read the notes taken in order to obtain overall and comprehensive impression of the data. The researcher then undertook coding by identification of themes and categories based on the relationships, connections and trends in the data. The coding was then evaluated in relation to the relevance to the objective of the investigation. Description of the themes and patterns was then undertaken. After analysis, the information was be presented in prose, and used to compile this report.



## **CHAPTER FOUR**

### **DATA ANALYSIS, RESULTS AND DISCUSSION**

#### **4.1 Introduction**

Chapter four of the investigation entails an analysis of data obtained from the questionnaires issued as the data collection tool. Outcomes of the investigation were illustrated in prose form with the chapter covering the response rate, the validity of the questionnaires, the discussion of the investigation outcomes and a summary of the chapter.

The investigation entailed the collection of data from five managers of the establishment who are involved in strategic management. Data was collected from five managers from different departments of the establishment, these were Customer Service Manager, Human Resource Manager, Operations Manager, Procurement Manager and Senior Accountant and Team Leader.

The research participants in the investigation have worked with SGS Kenya for an average of 3 years which is an indication that they are well versed with strategic goals of the establishment as well as performance in the investigation.

#### **4.2 Human Resource Capabilities for Development of Competitive Advantage**

SHRM plays the role of ensuring that they acquire the best teams that have the ability to retain the capabilities of the establishment that place the establishment at a strategic advantage. The findings of the investigation shows that the company ensures that strategic alignment is done throughout the selection, placement and appraisal. The company similarly use cost leadership in pricing their services factoring in quality. They have

invested in technology which has helped them ensure that process runs smoothly and efficient especially in their pricing and similarly payment process which has made it easier for their customers to pay without any inconvenience. They have similarly leverage on technology in advertising through branding and similarly creating a customer service online system which reaches out to clients and be able to solve their questions and offer solutions at the click of the button.

The establishment has similarly entered into strategic alliances with other establishments example the Government of Kenya, Parastatals like KEBs, and various manufacturing companies like BIDCO, Uniliver and BAT. This has helped in pulling of resources and similarly offered exposure at the expense of other competitors whom are not in alliance with them.

Further, the investigation found that setting of policies in the establishment should be done in line with regulation if value is to be achieved. The Human Resource Manager in a response said that “*SHRM determines the future needs of the establishment through forecasting the business demands and gap analysis*”.

### **4.3 Strategic Human Resources Management Practices**

This section aimed at investigating the SHRM Practices undertaken by SGS Kenya Limited. Interviewees were asked on how the establishment strategically undertakes its recruitment, training, performance management, strategic reward and compensation and the establishment culture.

### 4.3.1 Strategic Recruitment

Recruitment and selection is the process of selecting people duly, enough numbers and with the right requirements. Thus the establishment has had to ensure that their recruitment process attracts the right talent to suit their business needs. In this investigation it found out that the establishment have various ways of conducting their recruitment. The use professional recruitment agencies at Brighter Monday, Rosewood Consulting and Career Directions Limited in their recruitments especially for the technical jobs. This is because it is faster and saves time and money since the agencies takes responsibility of the whole process and similarly in pre-employment checks that need to be done.

The establishment similarly does business needs assessments and have hired independent consultants whom have helped in spearheading the process. They have conducted surveys, reviewed performance of business lines by reviewing the number of jobs being handled, gaps in nature of the work, skills, leadership and number of staff the contract period and similarly sustainability of the existing projects and partnerships they have with the contractors.

To build on staff capacity and identification of talent they have developed programs like buddy system and graduate trainee programs that have help to grow the existing talent of their staff to learn from their peers. With this potential leadership qualities have been identified which have led to staff growth and more willing to work in leadership positions.

This findings were on the basis of the responses received from the research participants.

The Human Resources manager noted that the “*establishment goes through the assessment of the business line needs and projected growth and manpower forecasting alongside the*

*business demands*". The Senior Accountant Team Leader stated that *"the establishment carries out productivity analysis on a quarterly basis in order to establish the gaps."*

In determining the future supply of staff the Senior Accountant Team Leader stated that *"the establishment does a critical analysis of the business environment, current labor laws of the land and performance of the business lines through hiring of consultants."*

The Human Resources states that *"through networking with recruitment agencies and similarly providing internship and graduate trainee programs where there are able to identify and develop talent and retain talent."*

The Human Resources Manager stated that *"the establishment has a buddy system which is a mentoring and coaching program and similarly ensuring that goal setting during performance management process is deliberately on leadership development."*

### **4.3.2 Strategic Training**

Training is a very important aspect in enhancing performance of an establishment this is because staff will be equipped with skills that will assist to obtain superior products and services in a short period of time and similarly provide better customer service experience to its clients. Because every staff is trained differently with regard to pace as well as approach, it is essentially ideal to offer various designs for training, so that staff can decide.

The establishment has invested in technology this has helped in cutting cost of training since staff are able to do at the comfort of their work space. This is because every staff is trained differently with regard to pace as well as approach.

The investigation findings indicated that the company human resources department ensures that training is done on input and output productivity model that ensures that training goes into improving the daily productivity of the establishment.

On the job training was found to be another method used by the establishment for improving employee skills and knowledge. This is a method where a less experienced employee works alongside a more experienced employee for learning and teaching reasons. The employee observes how the experienced colleague does the work, hence tapping on the expertise and building on capability. This provides opportunity for coaching and mentorship.

In the establishment learning is constantly evaluated through training feedback forms, performance monitoring and evaluation to ensure that there is improvement in the work place. With this the HRM does an evaluation and provides feedback to departmental heads so that they are aware of how their respective staff are doing and come up with ways of ensuring better training for their staff in future.

In the responses the Human Resources Manager noted that *“the company employs different forms of training including face to face performance, online engagement and experiential learning”*.

The Customer Service Manager noted that after training *“staff are expected to show case acquired knowledge for their positions and propose change”*.

The Senior Accountant Team Leader indicated that *“the establishment uses “sit next to Nellie” (buddy system) method for training”*.

### 4.3.3 Strategic Performance Management

The investigation sought to understand whether SHRM is relevant and viable to the performance of the establishment. Performance management aspect is very key to the establishment the investigation found out that all managers set objectives and KIP'S in reference to the overall establishment objectives. It is here that staff will base the quarterly objectives which they will be measured on during performance appraisal.

To ensure that they standards of performance are maintained they have continuous and relevant trainings which are evaluated regularly to measure their effectiveness to their staff and the establishment. This is to help them gain skills and similarly keep abreast of changes in the business and be able to put them into practice and similarly be competitive.

The investigation similarly found that that good reward has a link to the performance this is because it acts as a motivation and similarly appreciates the staff in their input to the establishment. This rewards are involve scholarship awards to staff whom would like to further their education, promotions, and transfers and similarly in form of additional benefits during year end.

The establishment similarly rewards performance through departmental or individual holiday vacations and trips this motivates other staff to put more effort in their work and similarly motivates them to work hard and smart.

The investigation findings from the Customer Service Manager indicated that *“Performance appraisal is well linked to the establishment’s performance based on the quality of work generated.”*

The Senior Accountant and Team Lead noted that *“investing in training and development in an establishment ensures that the company stays ahead of the competition.”* He further says that *“Fair compensation is an example that shows that a company that employs best practices ensures that the various elements on the establishment are working together to provide more value to the company.”*

The HR manager indicated that *“to gain value from SHRM, the establishment should learn how to constantly monitor results to ensure that what is not working is eliminated.”*

The Operations Manager noted that *“SHRM has enabled the establishment to enhance competition and thus ensuring that the company stays relevant in the market.”* Further, SHRM has led to the reduction of costs in the operations department as people are efficient and thus enhancing the financial sustainability of the company. Kariithi and Ogutu (2016) found that human resource factors are relevant in contributing to the competitive strategy of Safaricom Ltd. They noted that SHRM contributes to the superior performance of the establishment.

#### **4.3.4 Strategic Reward and Compensation**

On strategic reward and compensation, the investigation found that the establishment uses compensation for rewarding employee performance. The establishment has a compensation and reward structure that outlines the limits of salaries to the grades.

Compensation is done through monetary, and benefits given through both monetary and non-monetary means. At the end of the year staff are given bonuses by the establishment. This bonuses are pegged to the performance of the establishment and similarly individual rating during performance appraisal.

Staff are similarly given fringe benefits, medical cover and other allowances where applicable. Training and development was found to be another avenue for reward for good performance and this is through the scholarship awards given to staff and promotions which are followed by salary raise.

The establishment however needs to do a survey on how they pay their staff. This is because seems they are not in match with what their competitors pay. They should similarly not base their rewards on monetary terms but can ensure that staff have benefits like maternity leave for 6months, paternity leave for 1 month, flexible working hours, exam leaves among other benefits.

According to the Human Resources Manager stated that *“the establishment has a system for tracking performance and producing performance rankings, which have corresponding performance rewards and bonus percentages.”* All the interviewees pointed out that *“rewards have contributed to lower turnover of staff and increased retention.”* They further stated that the establishment needs to do more on how they reward its staff.

#### **4.3.5 Establishment Culture**

Establishment have the responsibility of creating a culture of support as they develop SHRM. Culture looks into the principles, beliefs and values held at the workplace. It influences the manner in which people behave both within and outside the establishment.

In this investigation the interviewees described the company culture is being like a family this is because of the team work and good working relationship between the SMT and staff which has led to a strong commitment.



The establishment has ensured that the sitting arrangement is an open space this has helped remove barriers in communication. Similarly they have programs like team buildings, employee *baraza's* that bring staff together thus they are able to communicate and share ideas.

The establishment similarly has a system of employee recognition and sensitization programs which has helped boost confidence and that employee are willing to help each other which has created unity within an establishment.

The investigation aimed to understand the manner in which the establishment cultivates a culture of productivity. The investigation findings from the Human Resources Manager indicated that *“the establishment works towards enhancing shared values in the establishment, enhancing team activities and staff meetings.”* The Customer Service Manager noted that *“the establishment has programs that enhance togetherness such as the SHINE program and through the Quality Health and Safety sensitization programs.”* Further, the establishment engages in enhancing company core values of integrity professionalism and innovation.

Inculcating culture in the daily operations of the establishment comes with challenges which the company addresses through consistency in the messages communicated by the management, training and sensitization of the company expectations at all times. Becker and Huselid (1999) supported the investigation findings by indicating that there is a need for the establishment to create a culture of support as they develop SHRM.

The staff of the establishment are encouraged to embrace diversity and encouraged to adopt a culture of curiosity which encourages people to try out new things and thus enhancing

the competitive edge of the establishment. In an investigation, Caliskan (2010) noted that there is a need for the HRM to develop a flexible working atmosphere that stimulates the interest of the staff and their ability to stay productive in the establishment.

#### **4.4 Organization Performance**

The investigation sought to understand whether SHRM is relevant and viable to the performance of the establishment. The establishment develops and plans its performance process through setting of objectives, recruitment, managing and reviewing performance, assessing the objectives, feedback and coaching and rewarding performance through personal development or pay through good performance.

The SMT are involved in a participative process in goals setting and ensuring that they create a conducive environment in which each employee will be measured according to his or her individual performance output in accordance to the set standards and evaluation.

Training done in the establishment go through a thorough vetting by the departmental head with the help of HRM this is to ensure that the courses selected by the staff are relevant to the business needs, personal development and keep up with competition

The investigation findings from the Customer Service Manager indicated that *“Recruitment, training, performance appraisal is well linked to the establishment’s performance based on the quality of the staff and the quality of work generated.”*

The Senior Accountant Team Leader noted that *“investing in training and development in an establishment ensures that the company stays ahead of the competition.”* He further says that *“Fair compensation is an example that shows that a company that employs best*

*practices ensures that the various elements on the establishment are working together to provide more value to the company.”*

The HR manager further indicated that *“to gain value from SHRM, the establishment should learn how to constantly monitor results to ensure that what is not working is eliminated.”*

Further, SHRM has led to the reduction of costs in the operations department as people are efficient and thus enhancing the financial sustainability of the company. Kariithi and Ogutu (2016) found that human resource factors are relevant in contributing to the competitive strategy of Safaricom Ltd. They noted that SHRM contributes to the superior performance of the establishment.

#### **4.5 Discussion of Findings**

The aim of this investigation was to determine the influence of SHRM on performance of SGS Kenya. SHRM is described as method that illustrates in what manner establishment's goals will be achieved with individuals using HR strategies and integrated HR policies and practices. Integration is done vertically with the strategy of the business, and horizontally with one another. SHRM practices are those approaches particularly designed, and executed on the basis of a thoughtful connection to an establishment's Strategy (Becker & Huselid, 1999)

The investigation revealed that SGS undertakes SHRM approaches to create valuable and rare HR capabilities that contribute to its performance. SGS is a global brand, and it faces competition globally and locally. SHRM is utilized by the establishment for development and sustenance of competitive advantage. Aimed at promoting and optimizing employee

performance and attainment of company goals and objectives, SHRM is a means for SGS to promote efficiency and effectiveness (Altarawneh, 2016). The investigation found that human resource functions and practices like recruitment of staff, training and development, reward and compensation, performance management are undertaken and through this it has helped them to know what they need to do to succeed in business. The investigation found that SHRM has enabled SGS to develop human resource capable of meeting the requirements of the establishment's strategy. Effective adoption of SHRM has been associated with improvement of performance of the establishment.

The outcomes of the investigation pointed out that the establishment undertakes strategic recruitment and selection of staff. This has influenced positively to the performance of the establishment. This concurs with an investigation undertaken by Muraga (2015) which identified strategic recruitment as influence of company performance.

In a highly competitive business atmosphere that SGS operates in, professional development is a prerequisite for business success. Investment in training programs for staff enables staff to learn new skills and improve their capacity in undertaking their tasks. The investigation found that development of staff in the establishment is taken as a strategic tool for promoting productivity, attainment of the business goals and remaining competitive in the industry.

By using the buddy system of learning, the establishment, establishment knowledge is passed from one employee to the other. By using this method, the establishment has enmeshed learning in the roles undertaken by the staff, which was found to be a positive culture that enhances establishment learning.

The investigation found that the establishment has embraced technology for strategic training of its staff. As observed by Mansour (2015), technology has become a valuable tool for learning in the workplace. The investigation found trainings have impacted the capacity of staff in undertaking the business of the establishment. This agrees with Ikart and Ditsa (2004) who observed that trainings can develop staff since they are inculcated with skills and knowledge that improve performance.

Management of talent is an important element in SHRM. The investigation found the establishment has mechanisms to ensure development of talent, and progression of staff in their positions. Loshali and Krishnan (2013) observed that talent management can greatly influence performance of a company, and recommended talent management to be a priority activity for establishments desiring to be competitive.

The investigation found that strategic performance was done, albeit with challenges. This has been used for development of evidence for measurement of strategy implementation, and for decision making. Boon et.al (2019) identified best practices for implementation of strategic performance measurement and management.

According to Mansour (2015) compensation and rewards need to ensure equity, by being accessible to staff of similar status. The investigation found that SGS has enhanced this, with challenges. The establishment has used this for attracting high performing staff, which has in turn contributed to improvement of its operations and results.

The investigation found the establishment engages in promotion of positive and performance oriented culture in the establishment. By using technology for engagement and employee participation, which contributes to their motivation. Shafiq and Hamza (2017) holds that establishment culture is important to establishment in holding it together

and being a source of identity. Gavrea, Ilies, and Stegorean (2011) posits that positive establishment culture can be a facilitator to development of competitive advantage and achievement of good results in an establishment.

The strategic goal of each establishment is making the most of the wealth of the owners Damilola et.al, (2015). The investigation found that by adopting SHRM, SGS has improved performance. This was through the improvement and efficiency in operations of the establishment, in development of different productions, in improvement of delivery of services and customer experience. Kiowi (2014) opines that staff performance is a multidimensional idea and that it is viewed in terms of the outputs and outcomes of an activity, in terms of behavior. It can similarly be based on individual factors like personality, the skills, and the abilities of the employee, knowledge and experience. Based on this, adoption of SHRM practices had contributed to improved performance of the establishment and attainment of the goals of the establishment.

#### **4.6 Chapter Summary**

The chapter was instrumental in bringing into understanding the bearing of SHRM on the performance of the establishment. The investigation findings indicated that staff cannot meet the establishment expectations if goals are not well outlined. Thus the SMT deliberate of the goals they need to ensure that the goals are realistic, understandable and similarly achievable. They need to ensure that the communication channel used is clear and that staff are similarly accountable for their actions. This will create a sense of responsibility to both the employee and supervisor.

The establishment should take advantage in changes in the technology by acquiring systems that will be able to create efficiency and similarly time savings. The establishment to invest in an appropriate performance management tool that is friendly and offer a 360 degree feedback mechanism of appraisal. Technology helps in offering and monitoring regular performance feedback since an appropriate performance feedback underpins solid proficiency as well as good behaviors. It is similarly an ideal manner to sustain staff and influencing their work effectively.

An effective performance and reward strategy should be aligned to the establishment goal and objective. The establishment should ensure that the existing reward system is unique to the establishment and that they can afford. Rewards should not only focus on financial aspect but similarly on employee professional development.

The establishment culture is important since it defines how staff finishes responsibilities and relate with one another in an establishment. Culture connects all staff together and offers a path to the company thus any changes in the establishment causes a challenge since might lead to change in the culture thus it is important for establishment to set up systems and programs that are similar and cuts across to the establishment. They should be in routine and similarly have departmental culture champions whom will help in spearheading the required culture. This will help in identifying the gaps and similarly monitor the progress.

Training and development is a key aspect in the establishment thus the establishment needs to ensure that the staff are regularly impacted with capabilities that are relevant to the business and to the individual employee. Investing in an employee makes staff feel worthy,

more willing to work, produce quality output and similarly go an extra mile to ensure that they bring revenue to the establishment.



## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

Chapter five of the investigation gives a summary of the investigation outcomes and a discussion of the research question. The investigation made a focus on the bearing of HRM based on strategic competitive edge, strategic recruitment and training, strategic compensation, culture and the contribution of SHRM in enhancing efficiency, effectiveness, its relevance and financial viability in relations to the performance of SGS Kenya. It similarly gives a conclusion of the investigation, the limitations, recommendations and suggestion for more investigations.

#### **5.2 Summary of Investigation**

This investigation was taken on the basis of investigation objective which was to apprehend the bearing of SHRM on the performance of the establishment. The research design used was case study and data sourced was by interview which was conducted by the researcher and data analysis was done through content analysis and reviewed for completeness and consistency.

The researcher interviewed 5 managers whom are key in decision making of the establishment they include the HR Manager, Customer Service Manager, Senior Accountant Team Leader, Procurement Manager and Operations Manager.

The findings indicate that SGS Kenya Limited has a performance management approach which is an in-house approach and that the establishment does refresher trainings for its

staff during the performance appraisal period. The system has helped reduce manual process which is tiring and similarly saves on time and similarly for easy tracking of performance in the establishment.

The establishment has similarly invested in technology which has helped the benchmark their services and similarly improve on their customer experience to their clients and staff. The findings of the investigation found that the establishment has an employee self service portal that every employee is able to access their individual information like leave balances, payslip, performance ratings and comments from their supervisors. There are similarly online trainings that are assigned to staff which after completion a certificate of performance is awarded.

The investigation found that the establishment has shared vision and principles which has led to teamwork and family bond that has led to good communication skills. The establishment has been able to control its culture through various programs like SHINE, Health and Safety talks and *Barraza's* which they have implemented has helped them create a conducive environment of at the workplace.

The establishment has a grading system with clear guidelines, it similarly has other benefits that they offer its staff through the findings of the investigation. The establishment was found to have clear salary structure in relation to the job grades, the establishment similarly has a reward policy that guides the HR department during decision making before and after recruitment and selection process. The HR department have put in place measure that safeguard information relating to employee remuneration and reward is private and confidential thus have set up measures like ensuring that individual files of staff are stored in a safe room with lockable cabinets and only authorized personnel are allowed to access

the room. Similarly sharing of payslips or any information in relation to staff rewards the document is password protected.

Training and development in the establishment is aligned to the establishment goals and objectives. The investigation found that training programs created reflect the needs of the employee at the individual level and similarly to the department. The HR and SMT evaluate the trainings done to help in decision making and similarly in identifying any gaps. The investigation similarly found that they have coaching program like the buddy system and on the job trainings which is important since it focuses on the employee's skills and knowledge to improve their performance.

The recruitment and selection of staff which is a very important aspect in the establishment the investigation found that it has helped to determine the kind of skills the establishment brings in. Thus the investigation found that establishment has a recruitment policy that acts as a guide to SMT during recruitment. It was similarly found that the establishment has a graduate trainee program that has helped in retention and identifying of new talent. The establishment similarly look at the business needs before recruitment to avoid cases of over recruiting leading to factors like redundancy or retrenchment and similarly it works with professional recruitment agencies like Brighter Monday, Rosewood consulting in the recruitment exercise.

### **5.3 Conclusion**

Establishments are aiming to be competitive, seeking to manage their HR in realizing company performance. They mostly focus on the achievement of goals, cost cutting,

achieving sales targets, enhancing for instance clients' number, market share fraction, product quality, new products as well as productivity among others.

Influence of strategic human resources in driving performance is key in attaining these performance measures. However, prior to that, establishments ought to understand the anticipations needed from their staff so that the staff portray their capabilities, be driven and conduct themselves as per the establishment to attain the required performance.

Establishments need to consider Strategic HRM since it's a tool of competitive edge required to develop proper procedures. It is similarly a detailed process for HRM in the entire establishment and it's combined with the establishment's general strategy. This allows the establishment to acquire the right and desired capabilities and placing them in the right departments.

## **5.4 Recommendations**

The investigation makes the recommendation that SGS Kenya should reward its staff well. They can do so by introducing other benefits like maternity leave 6month's, paternity leave 1 month, flexible working hours and exam leave days. This is will enable staff focus on their studies and similarly be able to work at their own convenience as long as they accomplish their daily tasks. The establishment should similarly ensure they do market survey of salaries and be able to match up with their competitors and similarly have regular annual salary reviews for staff.

To enhance a high performance management the establishment requires to develop a performance culture in all aspects of productivity, customer service, team work, profits and that good and improved behavior is rewarded. This will motivate staff to adopt good

practices and behavior this will help in branding of the establishment and similarly help in knowledge sharing and dependence between administrators and juniors.

In training and development the establishment should provide jobs that are exiting and allow room for creativity and innovation. Similarly ensure that flexibility and job descriptions that are clear and relevant. The work environment should support personal development, leadership development, work life balance and secure employment.

Recruitment and selection of the establishments should be able to meet the current and imminent needs and that the establishment should focus more on the current talent they have before outsourcing talent this will motivation and similarly retention of talent.

### **5.5 Limitations of the Study**

In undertaking this investigation, the researcher faced limitations. Some research participants were not willing to give information that may appear sensitive. The researcher countered this by thoroughly describing the aim of the investigation, and how the data collected would be used, which was using it for academic reasons only, and assuring confidentiality, and non-disclosure of the identity of the source of the information. The researcher similarly provided the authorization letter issued by the establishment before the commencement of data collection.

### **5.6 Suggestions for Further Research**

On the basis of the findings of this investigation, the researcher suggests investigation to be done on other aspects that impinge on performance in the establishment. Examples are influence of political factors, geographical location of the business and economic factors among others.

The researcher recommends similar investigation to be undertaken in a public sector establishment and other researchers can use different methodology to undertake related investigation.

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## APPENDICES

### APPENDIX I: INTERVIEW GUIDE

#### THE INFLUENCE OF STRATEGIC MANAGEMENT OF HUMAN RESOURCES ON PERFORMANCE OF SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE (SGS) KENYA LIMITED

##### Part A: General Information

Date of Interview: .....

Name: .....

Gender: .....

Department: .....

Job title .....

Years worked with SGS Kenya: .....

##### Part B: Human Resource Capabilities for Development of Competitive Advantage

1. How does your establishment develop valuable Human Resource capabilities?
2. How are Human Resource policies and strategies formulated in the establishment?

##### Part C: Strategic Human Resource Management Practices

###### Strategic Recruitment

1. How does the establishment determine future demand for staff?
2. How does the establishment determine future supply of staff?

How does the establishment focus on harnessing talent for top leadership positions?

### Strategic Training

1. How does the establishment undertake training to improve employee knowledge and skills?
2. How is training linked with establishment's business strategy?
3. How does the establishment measure effectiveness of trainings in improving its performance?

### Strategic Performance Management

1. How does the establishment establish an environment that fosters creativity and innovation?
2. How is performance management undertaken in the establishment?
3. How does the establishment recognize exemplary performance?

### Strategic Reward and Compensation

1. How does the establishment reward staff?
2. How are rewards linked with performance of the establishment?

### Establishment Culture

1. How does the establishment cultivate productive establishment culture?
2. How does the establishment address challenges in managing the culture?

### **Part D: Establishment Performance**

1. How does SHRM create or add value to the achievement of establishment and company and overall strategy?
2. How does adoption of strategic human resource practices contribute to the following in the establishment:
  - a. Effectiveness
  - b. Efficiency

- c. Relevance
- d. Financial viability

## **1.5 APPENDIX II: RESEARCHER'S INTRODUCTION LETTER**

*(Letter from MBA Coordination office)*

## 1.6 APPENDIX III: RESEARCHER'S APPLICATION TO UNDERTAKE DATA COLLECTION

Olivia Sadiku Nagery  
P. O. Box 35126, 00100  
Nairobi.  
4th November 2019



To Human Resources Manager,  
Société Générale De Surveillance (SGS) Kenya Limited  
P.O Box 72118, 00200  
Nairobi

Dear Sir/Madam,

### RE: RESEARCH DATA COLLECTION

I am a student at University of Nairobi undertaking studies for a Master of Business Administration (MBA) Degree in Strategic Management. As per the degree program requirements, I am undertaking a research study titled, "Influence of Strategic Management of Human Resources on Performance of Société Générale De Surveillance (SGS) Kenya Limited"

This study has a case study design, and your organization was selected as the case. Am writing this to request your authorization and assistance to undertake data collection, which will be through face to face interviews which I will conduct. The study targets members of management team who are involved in strategic management activities of the organization. An interview guide will be used for data collection. The data and information collected will be used strictly for academic purposes and will be treated with utmost confidentiality. Your assistance will be highly appreciated. Attached find letter of introduction from the University of Nairobi and the study interview guide.

Yours Sincerely,

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Olivia Sadiku Nagery

## 1.7 APPENDIX IV: INVESTIGATION AUTHORIZATION

**SGS**

Ms. Olivia Sadiku Nagery,  
P.O. Box 35126, 00100  
Nairobi

Dear Madam,

**RE: LETTER OF AUTHORIZATION TO COLLECT DATA IN OUR ORGANIZATION.**

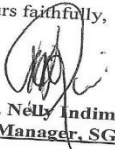
Reference is made to your letter dated 4<sup>th</sup> November 2019 on the above mentioned subject.

This is to inform you that the organization has granted you permission to collect data for your Master of Business Administration degree research study titled "Influence of Strategic Management of Human Resources on Performance of Société Générale De Surveillance (SGS) Kenya Limited"

We note that this is an academic requirement and any information provided will be treated with utmost confidentiality and will be for academic purposes only.

If you have any concerns or require additional information, feel free to contact the Human Resources Department for support.

Yours faithfully,

  
**Mrs. Nelly Indimuli**  
**HR Manager, SGS Kenya**

**SGS**  
Human Resources  
Department  
SGS Kenya Limited  
P.O. Box 77113 - 00200, NAIROBI  
Tel: 2733680, 2733609  
Fax: 2733684

## **1.8 APPENDIX V: PLAGIARISM REPORT**