

# **ROLE OF HUMAN RESOURCE PLANNING PRACTICES ON EMPLOYEE PERFORMANCE IN COUNTY GOVERNMENTS IN KENYA: A CASE OF NAKURU COUNTY**

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## **Abstract**

*Human resource planning practices are very crucial in all organizations. This study sought to analyze the role of human resource planning practices (specifically employee attraction and retention) on performance of Kenya's County governments' employees. This was against the backdrop of hue and cry from the members of the public regarding the underperformance of County governments' employees. The study was conducted amongst employees of Nakuru County government attached to the County's headquarters in Nakuru town, Kenya. The study employed descriptive research designs. The target population comprised of the 45 employees. A structured questionnaire was used to collect primary data. A pilot test was conducted to assess reliability and validity of the research instrument. The data was analyzed by use of descriptive and inferential statistics using Statistical Package for Social Sciences software. The study findings were presented in form of tables. It was established that employee attraction and retention ( $r = 0.415$ ;  $p < 0.01$ ) positively and moderately affect employee performance. It was recommended that County governments should offer their employees competitive remuneration terms and should also plan well for their future human resource needs.*

*Keywords: County governments, employee attraction, employee retention, human resource planning*

## INTRODUCTION

Human Resource Management (HRM) is asserted to be the understanding and application of the policies and procedures that directly affect the people working within the project team and the overall workforce. It is further opined that, the management of the workforce of a firm is crucial in guaranteeing sufficient staff levels with the right skills, properly rewarded and motivated (Armstrong, 2007). Human Resource Planning (HRP) identifies current and future human resources needs so that an organization may achieve its goals. It is further emphasized that, HRP should serve as a link between HRM and the overall strategic plan of an organization. According to Reilly (2003), asserted that HRP practices enable a firm to estimate the demand for labour and evaluate the size, nature, and sources of supply which will essentially be required to meet the demand. HRP practices include strategies on employee retention, absence management, flexibility, talent management, and recruitment and selections. HRP also creates an employer's brand.

HR practices also include open management or Management by Objectives (MbO) which encourage participative management and helps with building trust and motivating staff; providing performance incentives for completion of a task in an appreciable manner. Other HR best practices include collecting performance feedback where provision of constructive feedback from all other employees could be employed as a tool to improve individual employee and organizational performance. In order to position the organization for success, the Government of Newfoundland and Labrador (GNL, 2008) asserted that government departments have been engaged in workforce planning. It is further opined that there are three key directions that have been identified to assist government in managing the workforce changes. The directions are building the organization's potential, strengthening its competitiveness, and renewing its workforce. It is averred that, when workforce and strategic objectives are aligned, they guarantee the delivery of quality programs and services to the public since the planning would essentially assist in positioning the public service for the future.

A study on the effect of employee resourcing strategies on the performance of commercial banks in Kenya (Ngui et al., 2014) established that, employee resourcing strategies have a significant positive effect on performance of the aforementioned banks. In addition, the study findings indicated that, there is a positive relationship between strategic employee resourcing and employee performance in commercial banks in Kenya. One of Ngui et al.'s (2014) recommendations was that banks should develop and document strategies for human resource planning so as to enhance employee and organizational performance. More so, Kavoo-Linge and Kiruri (2013) assessed the effect of placement practices on employee performance in Kenya's information technology (IT) sector. According to the study findings,

there was a strong association between performance on one hand and job information, training and guidance on the other. It is noted in an examination of relationship between HRP practices and firm's performance that, the study on the same aspect has shifted from delving into individual practices and their influence on organizational performance to studying the entire HRP system and its effect on organizational performance (Mutua et al., 2012).

Devolution is said to be the statutory granting of powers (decentralization of power) by the central or national government to a government(s) at sub-national levels such as Counties. Essentially, devolved governments have the power to make legislation pertinent to their area of jurisdiction. As exemplified in the Kenya's context, devolved governments have power over almost all the human resources working in the 47 Counties (Constitution of Kenya, 2010). Katua et al. (2014) inferred that, HRP strategies can enhance performance of a firm. According to their findings, the scholars recommended that firms ought to develop and document strategies for HRP with the object of enhancing both employee and organizational performance. The fundamental importance of human resource planning practices to the organization's performance has been underscored; yet the same has hardly been studied in the context of Kenya's County Governments. It was, therefore, essentially important to undertake a study on the role of human resource planning (HRP) practices in performance of Kenya's county governments' employees.

### **Statement of the Problem**

In line with the current constitutional dispensation, County Governments were created in Kenya after year 2013 General Elections. These governments inherited the employees of now defunct local authorities in addition to other staff who were initially under the national government. Despite receiving considerable financing from the National Treasury and alleged exorbitant taxes from the local citizens, there have been claims of under-performance. The foregoing has been blamed on not only egocentricity, nepotism, and political interests of the governing class, but also incompetence of the current employees. Indeed, currently there is a HR audit being undertaken throughout the civil service including in County Governments to weed out ghost workers and incompetent employees.

Therefore, employee performance in County Governments is very likely to be negated unless the current situation changes. The implications will be far reaching in that citizens will perpetually lament about poor service delivery. Also the Counties may fail to attract the most competent employees to their workforce due to unattractive terms of service. In addition, the citizens may fail to enjoy the so-called fruits of devolution in Kenya. Ultimately, poor employee performance is bound to derail not only County development, but also the national development.

The foregoing, needless to say, necessitated this study which sought to establish the role of HRP practices on employee performance in Kenya's County Governments.

### **Research Objective**

To establish how strategies for employee attraction and retention affect employee performance in Nakuru County Government.

### **Research Hypothesis**

**H<sub>0</sub>:** Strategies for employee attraction do not significantly affect employee performance in Nakuru County Government.

## **LITERATURE REVIEW**

### **Human Resource Planning**

Human resource planning (HRP) is described as the process of identifying current and future needs of the human resource so that an organization may achieve its goals (Reilly, 2003). Human resource planning (HRP) is a crucial process in every organization. It is essential to conduct human resource planning (HRP) since hiring the wrong employees or failure to anticipate fluctuations in hiring needs could be costly in the long run. The process of HRP ensures that, an organization's employees have the requisite skills and competencies an enterprise needs for it to succeed (Ghazala & Habib, 2012). Gupta (2008) adds that, HRP prepares appropriately employees for potential rationalization. It further enables a firm to make adequate preparations for recruitment and strategic hiring.

Human resource information system (HRIS) is a concept that is associated with human resource planning. This concept is necessitated by the dynamic environment. It is employed to facilitate effective planning of human resources. The primary essence of HRIS is to store employee data in a manner that enhances the pace of the ordinarily slow HRP. HRIS is also said to aid human resource managers in their strategic activities of training and development, succession planning, applicant tracking in recruitment and selection, and manpower planning. It can also help in identifying vacant positions and positions that are occupied in an organization (Shikha & Karishma, 2012). The role of HRIS in HRP is further underscored by Bal et al. (2012) who asserted that, HRIS support activities such as identification of potential employees, maintaining complete records on existing employees and creating programs to develop employee talents and skills. Essentially, therefore, the role of human resource planning in any organization cannot be underestimated.

## Theoretical Framework

### *Human Capital Theory*

It is asserted that, recent challenges such as globalization, a knowledge-based economy, and technological evolution have obliged many countries and organizations to seek new ways to maintain competitive advantage (Kwon, 2009). The standard approach in labour economics is said to view human capital as a set of skills or characteristics that enhance a worker's productivity. Human capital is said to refer to the stock of productive knowledge and skills possessed by workers. Boldizzon (2008) adds that, the concept of human capital is semantically the mixture of human and capital.

In tandem with the meaning of capital in the economic perspective, the human is the subject to take charge of all economic activities such as production, consumption, and transaction. On the establishment of the aforementioned concepts, it can be recognized that, human capital means one of the production elements which can generate added-values through inputting it.

According to the human capital theory, the method to create human capital can be put into two categories. The first is to employ human as labour force in the classical economic perspective. The other is based on the assumption that, the investment of physical capital may illustrate the same effectiveness with that of human capital on education and training (Little, 2003). Considering that the assumption accepts as a premise, the human capital expansively includes the meaning of 'human as creator' who frames knowledge, skills, competency, and experience originated by continuously connecting between 'self' and 'environment'. Among those concepts of the human capital, it tends to be recognized that the latter is more important than the former (Beach, 2009).

Indeed, many empirical literatures show that human capital affects various social components. Woodhall (2001) asserts that, the investment of human capital is more effective than that of physical capital. Throughout the investment of human capital, an individual's acquired knowledge and skills can easily transfer to certain goods and services. Considering that accumulation of knowledge and skills takes charge of important role for that of human capital, there is a widespread belief that learning is the core factor to increase the human capital. In other words, learning is an important component to obtain much knowledge and skills through lots of acquisition ways including relationship between the individual and the others. Currently, it is acceptable that the conceptual foundation of one's human capital is based on 'something like knowledge and skills' acquired by an individual's learning activities. Assuming that knowledge can broadly include other factors of human capital such as skills, experience, and competency, human capital and 'knowledge as broad meaning' is recognized as

synonymous expression (Sleezer et al., 2003). In the context of human resource planning practices, the theory of human capital can be employed to emphasize on the rationale of attracting and retaining workforce with the requisite knowledge, skills and competencies.

### **Conceptual Review**

In this section, the researcher purposes to look into studies hitherto carried out on the subjects of employee attraction and retention as one of HRP practices and employee performance.

#### ***Strategies for Employee Attraction and Retention and the Concept of Employee Performance***

Attraction and retention in today's changing labour market is said to require government to look at major drivers that are fundamental to employers and potential employees. The foregoing is according to the Government of Newfoundland and Labrador (GNL, 2008). Some of these drivers include, diversified and challenging work, attractive compensation package which constitutes more than just salary, career advancement opportunities, opportunities for personal and professional growth, an inclusive workplace, work-life balance, and ongoing recognition of contributions to the organization.

Being a preferred employer is asserted to be integral to competing for talent. In order to be a preferred employer, it is emphasized that, it is necessary to both attract new employees to the organization and retain the talent that the organization currently employs. It is posited that, there are many factors that influence the attraction and retention of workers, in addition to compensation (GNL, 2008). It is noted though, compensation is vital to competitiveness, it is more often than not, not the single most important factor to employees or potential employees. Indeed, people would prefer working for an organization that they are proud to be working with. The influencing factors to retain current workforce and attract new crop of employees include support for professional development, career advancement opportunities, having respected and trusted leaders, ability to influence organizational initiatives and directions, flexible working environment, workplace innovation, communication, and recognition and respect. Abdullah (2014) in his study noted that, Saudi Arabia banks are making a lot of efforts to attract talent and skilful staff who possess good banking experience.

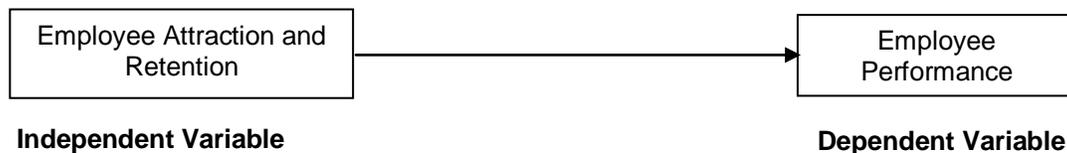
A report on the dynamics and trends of employment in Kenya by the Institute of Economic Affairs (IEA, 2010) indicated that, quality of the workforce, achievement of the optimal mix of managerial-technical support staff, management skills and manpower issues are some of the areas with the greatest potential of affecting organizational productivity. The report further observes that, a National Manpower Survey (NMS) is one of the inputs that provides baseline

information necessary in formulation and implementation of effective labour market policies. In a study on the effect of placement practices on employee performance in small service firms in the information technology (IT) sector in Kenya (Kavoo-Linge & Kiruri, 2013) , it is noted that, a well-done induction process could improve employee confidence and performance and also provide a competitive advantage in attracting and keeping good staff. When assessing the ethical considerations in HRM in Kenya, Mathenge (2011) complained that, most organizations in Kenya are currently facing conspicuous challenges of attracting and retaining qualified personnel.

The reviewed global, regional, and local studies have underscored the essence of attraction and retention in organization. Organizations are asserted to compete to attract the best talent in the labour market while retaining the most competent workforce (GNL, 2008). Yet in the public service, the foregoing has been a huge challenge. The extent to which attraction and retention strategies impact on performance of employees is undoubtedly under-researched especially in the public sector. The situation is not different in the County Governments in Kenya.

### Conceptual Framework

Figure 1: Conceptual Framework



As illustrated in Figure 1, it is hypothesized that there exists a relationship employee attraction and retention strategies and employee performance.

## RESEARCH METHODOLOGY

### Research Design

According to Burns and Grove (2001), a research design is the tool that researchers employ to optimize the validity of the research findings. The study adopted descriptive research design. The study was descriptive in that, it sought opinions of the respondents regarding human resource planning practices and employee performance (Kothari, 2008). In addition, quantitative approach will be employed. This is due to the fact that, the data collected was on a 5-point Likert scale. The study relied on primary data and the researcher employed quantitative

methods of data collection. The most appropriate quantitative research method in the context of this study as asserted by Olsen and George (2004) is survey research because this method is ideally used to study a population at a certain point in time.

### **Target Population**

Target population refers to the population to which the study findings are generalized. The members of the target population should essentially have similar characteristics (Lavrakas, 2008). The target population, therefore, constituted employees attached to the human resource department of Nakuru County. There are a total of 45 employees in the aforementioned department to whom the study was limited.

### **Census**

The relatively small target population eliminated the necessity of sampling. In other words, it was essential for all members of the target population to be included in the study (census). In addition, census method eliminated the sampling bias which would have otherwise compromised the accuracy of the study findings. This implies that, the results obtained from this method had a greater degree of generalizability when compared to sampling.

### **Research Instrument**

The study employed a structured questionnaire to collect the primary data from the respondents. This means that the study was limited to the findings from analysis of primary data. Mugenda and Mugenda (2009) observed that, questionnaires are frequently used in quantitative social research. The questionnaire briefly captured demographic information of the respondents. More importantly, greater emphasis was on the instrument capturing data pertinent to all the study variables (independent and dependent variables) in line with the study objectives. The questions in the questionnaire were close-ended and on a 5-point Likert scale and were also drafted in a simple, explicit and understandable language.

### **Reliability Test of the Research Instrument**

Reliability of the instrument was determined by use of Cronbach alpha. All the variables reflected in the final research questionnaire attained the reliability threshold. This was ascertained by the fact that employee attraction and retention  $\alpha = 0.73$  while employee performance returned  $\alpha = 0.76$ . This implied that the research questionnaire was statistically reliable.

### Validity Test of the Research Instrument

On the other hand, the researcher determined the content validity of the instrument by seeking expert opinion from the Jomo Kenyatta University of Agriculture and Technology's supervisors since this type of validity as asserted by Winterstein and Kimberlin (2008) cannot be put into a statistical test. After supervisors' successfully assessed the instrument, the questionnaire was deemed valid to be employed to collect data in the main study.

### Data Processing and Analysis

The collected sets of questionnaires were thoroughly verified to ensure that they were adequately and appropriately filled. Incomplete sets of questionnaires were discarded in order to optimize the study results. The data was then be edited and coded into the SPSS (Statistical Package for Social Sciences) software ready for analysis. Both descriptive and inferential data analyses were carried out. The descriptive analysis comprised of measures of distribution (frequencies, and percentages), measures of central tendencies (means), and measures of variation (standard deviations); while inferential analysis that enabled drawing of relevant conclusions was in form of Pearson's Product-Moment Correlation (PPMC) coefficient. The findings were then presented in form of frequency tables, and also in form of descriptive and inferential statistical tables.

## EMPIRICAL FINDINGS

### Employee Attraction and Retention

Table 1 outlines the opinions of the HR employees on propositions touching on employee attraction and retention.

Table 1: Employee Attraction and Retention

	N	Min	Max	Mean	Std. Dev
Keeping employees enables on organization to be successful	39	4	5	4.92	.270
Our County Government is facing noticeable challenges of attracting and retaining qualified personnel	39	2	5	3.79	.732
County Government Staff work under Flexible environments	39	2	5	3.44	1.314
Our County govt creates opportunities for career advancement	39	2	5	3.44	1.095
Our County Government has strategies for attracting competent personnel	39	2	5	3.18	1.048
There are attractive compensations for County employees	39	2	5	2.85	1.247

The findings indicated that the respondents were in almost absolute agreement (mean = 4.92; std dev = 0.270) that keeping (retaining) employees enables an organization to be successful. It was also concurred (mean = 3.79) that Nakuru County Government is facing noticeable challenges of attracting and retaining qualified personnel. Nevertheless, it was unclear (mean  $\approx$  3.00) whether County Government Staff work under flexible environments; Nakuru County Government creates opportunities for career advancement and has strategies for attracting competent personnel. They were further unsure if there are attractive compensations for County employees.

### Employee Performance

Lastly, the respondents' opinions regarding their performance at the County Government in light of the aforesaid human resource planning practices were sought. Table 2 outlines a summary of the aforesaid views.

Table 2: Employee Performance

	N	Min	Max	Mean	Std. Dev
Employees attraction and retention enhances employee performance	39	4	5	4.46	.505

The County HR employees agreed (mean  $\approx$  4.00) that employee attraction and retention do affect the performance of employees. In other words, the HRP practices particularly employee attraction and retention determine how the Nakuru County Government HR employees perform their work.

### Effects of Employee Attraction and Retention on Employee Performance

Table 3 shows the findings of the correlation analysis between employee attraction and retention on one hand, and employee performance on the other.

Table 3: Effect of Employee Attraction and Retention on Employee Performance

Employee Attraction & Retention	Employee Performance	
	Pearson Correlation	.415**
Sig. (2-tailed)	.009	
N	39	

\*\* . Correlation is significant at the 0.01 level (2-tailed).

It is evident that the relationship between employee attraction and retention and employee performance is positive and moderately strong ( $r = 0.415$ ;  $p < 0.01$ ). As illustrated, the aforesaid relationship is also statistically significant. The results imply that the more new employees are attracted and existing ones retained in Nakuru County Government the more employee performance is likely to be boosted. The results led to the rejection of the first null hypothesis which stated that the relationship between the aforementioned variables is not statistically significant.

## **SUMMARY**

The findings indicated that the respondents were in almost absolute agreement that keeping (retaining) employees enables an organization to be successful. It was also concurred that Nakuru County Government is facing noticeable challenges of attracting and retaining qualified personnel. The foregoing concurred with Mathenge's (2011) study findings that most organizations in Kenya are currently facing conspicuous challenges of attracting and retaining qualified personnel. Nevertheless, it was unclear whether County Government Staff work under flexible environments; Nakuru County Government creates opportunities for career advancement and has strategies for attracting competent personnel. They were further unsure if there are attractive compensations for County employees. It was established that the relationship between employee attraction and retention and employee performance is positive and moderately strong ( $r = 0.415$ ;  $p < 0.01$ ). The County HR employees further agreed that employee attraction and retention affect the performance of employees.

## **CONCLUSIONS**

The study concluded that by retaining its existing workforce, Nakuru County Government is likely to be successful. However, the County Government has been facing challenges of attracting and retaining employees. It was further deduced that indeed employee attraction and retention are crucial in determining the level of employee performance in Nakuru County Government. On the basis of key findings following recommendations are made:

1. It is recommended that the County Governments should offer their employees competitive remuneration terms in order to retain and attract the best, skilled and competent workforce.
2. It is also recommended that the County Governments ought to plan well for their future human resource needs in order to mitigate any negative impacts as a result of demographics, government priorities and competency requirements.

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