

# **A CRITICAL ANALYSIS OF HUMAN RESOURCE MANAGEMENT PRACTICES INFLUENCING PERFORMANCE IN PUBLIC UNIVERSITIES (CASE STUDY OF UNIVERSITIES IN NAIROBI C.B.D)**

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## **Abstract**

*It is a common phenomenon for all organizations to put more emphasis on good management practices that most impacts on employee's motivation and subsequent performance. This has to be done in cognizance of the prevailing environmental factors such as colleagues, who influences to a great extent their error rate, level of innovation and collaboration with other employees, absenteeism and, ultimately, the labour turnover. The Study was confined within the public universities in Nairobi Central business District, Kenya. Study employed a descriptive research design. The target population for this study was employees of public universities in Nairobi County at top, middle and lower level of management. This is a group that was thought to give the best and most reliable results on the analysis of human resource management practices that influences organization performance. Stratified random sampling was used to select the population from which a sample 160 respondents was drawn. Data was collected mainly by use of questionnaires. SPSS was used to generate the statistical outputs. The study found that recruitment and selection, training and development, reward management and*

*employee relations affect organization performance. It was concluded that the coefficient of determination showed that 56.2% of variations in the organization performance is explained by the independent variable stated above. It can also be concluded that Human Resource Management Practices are key in determining the organization performance of public universities in Kenya. The study concluded that there is relationship between the independent variables and dependent variables are positive, meaning that they play a major role in organizations performance.*

*Keywords: Human resource management, employee, organizational performance, public universities, Kenya*

## **INTRODUCTION**

You cannot continuously improve interdependent systems and processes until you progressively perfect interdependent, interpersonal relationships” (Stephen, 2003). Thus the quality of both Management practices and employees a big influence all the public universities performance. it is this that most impacts on the level of employee’s motivation and subsequent performance. The employees interact with the environmental factors including their colleagues who to a big extent influence the error rate, level of innovation and collaboration with other employees, absenteeism and, ultimately the labour turn over in public universities. Public universities being owned by the Government have a lot of job security with regular audits.

Harmonious relations between each higher education employer and its employees are necessary to that endeavor (Parisi, 1999). Relations between each higher education employer and its employees may assure that the responsibilities and authorities granted to the separate institutions under the Constitution and by statute are carried out in an atmosphere which permits the fullest participation by employees in the determination of conditions of employment which affect them (Nzuve, 2007). It is only from the management practices and employees attitudes that will determine the performance of public universities in Kenya.

It is obvious from the study that, good performance is highly affected by the Human Resource Management practices which are adhered to in the public universities. Settled employees at work place, play a major role in determining the rate of performance in all public universities. It is not easy to meet the demands of all employees particularly when the resources are limited, but, however during boom the situation is different because the organization is in position to meet the demands of the employees (Nzuve, 2007).

## Statement of the problem

Modern organizations are really striving to remain a float in this dynamic world where performance to every management. Line managers should be involved in designing HRM practices and survey should be conducted among employees to know their opinion on these practices (Pakistan business review 2012). The intent of these human resource and workplace practices is to increase organizational performance. Nayaab et al (2011) found that effective human resource practices contribute a lot to the performance of organizations. Oakland Johns (1989) emphasises that everybody in an organization has a role to play. He suggests that managers must hence plan strategically to maintain hold on market share, let alone increase it and that Total Quality Management (TQM) depends on each individual at each level making proper human resource department hence human resource practices are indispensable. It is known that HRM practices can positively affect organizational performance. Numerous studies have shown a positive relationship between HRM practices and organizational performance.

In order to effectively investigate whether human resource practices are capable of contributing to organization performance, it is pragmatic to examine HRM practices in as many settings as possible Abeysekera (2007). Most of the studies in HRM practices and organizational performance have been conducted in the West, on the domestic operations of US firms, with a smaller number of studies carried out in Kenya (e.g. Guest & Hoq). These industry issues and problems demand that firms continually assess its internal processes and capabilities if it is to remain competitive. It is known that HRM can positively affect organizational performance. Numerous studies have shown a positive relationship between HRM practices and organizational performance and its relationship soomro et al. (2011). However, previous studies in Kenya are quite limited in investigating this phenomenon.

The general consensus developed among researchers is that HRM practices do not lead directly to business performance. Rather they influence firm's resources, such as the human capital of the firm (skills, knowledge, & potential), or employee behaviors, and it is these resources that ultimately lead to performance (Wright et al 1994; Delery 1998). This implicit model assumes that there are mediating variables between HRM practices and organizational performance, although, rather few researchers (Paul and Anantharaman 2003) have measured these mediators and addressed their importance. Rizov and Croucher (2008) empirically examined the relationship of HRM practices and organizational performance in European firms. They found that collaborative form of HRM practices (characterized by valuing employees as assets and core partners, creating and communicating a culture of partnership between employer and employees as well as among employees, communicating organization's mission, values, goals and strategy statement through explicit open communication policy and strong

support for employees consultative bodies like unions and committees) reflected positive and statistically significant association with firms' performance. Ahmed and Schroeder (2003) investigated effects of selective hiring, employment security, decentralization and use of teams, incentive and compensation, extensive training, status differences, and information sharing on organizational performance (quality, cost, flexibility, delivery and commitment).

Owing to the above, vast majority of empirical research on this topic is focused on the performance issue, and most studies show that well directed human resource management practices do increase firm's performance (Berg et al. 1996; Huselid 1995). But what are the effects of these practices on workers and hence on the competitiveness or performance of an organization? This question is rarely asked or examined in the human resource practices literature. It is against the backdrop of these that the study sought to establish the effects of human resource management practices on organizational performance with a specific focus on the public universities in Kenya.

## **LITERATURE REVIEW**

The main objective was to do a critical analysis of human resource management practices that influences performance in public universities. It is focused on public universities in the Nairobi County. The specific objectives of the study were to analyze Recruitment and selection, training and development, reward management and employee relation on organization performance. Performance management is a strategic and integrated approach to delivering sustained success to organizations by improving the performance of the people who work in them and developing the capabilities of teams and individual contributors (Armstrong and Baron, 2009). Though various factors do affect this main objective of any organization i.e. performance, employee relations is, of late, also emerging to be a major factor influencing organization performance. The chapter was therefore divided into theoretical background and orientation related to the study, empirical and critical reviews, conceptualization as well as operationalization. This was done with the main aim of enhancing the researcher's understanding of the study area as well as identifying gaps that this study filled.

### **Theoretical Review and Objective Formulation**

Currently Human Resources have been recognized as an important source of sustained competitive advantage, Barney (1995). Much of the human resources and theoretical and empirical work has been grounded in the resource-based view (RBV) of the firm. This theory maintains that in order to develop a sustainable competitive advantage, organization must create resource in a manner that is rare, non imitable, and non-substitutable.

Sexena and Tiwari (2009) examined the HRM practices implementation leading to IT companies such as TATA. This is much related to the universities which are now embracing IT in much of its operations. Barney and Pfeffer (1994), Youndt and Wright (1996) and Wright and McMahan (1992), have argued that because the resources that have historically provided organizations with competitive advantage are easily and rapidly imitated, the human resources of the organization may be an extremely important source of sustained competitive advantage. Human resource is no longer treated as a cost but rather a capital asset to any organization that wants to thrive in this modern dynamic world Tay, L, &Diener, E (2011) While there is broad agreement regarding a 'systems' perspective within the literature, a key difference exists between those researchers who identify with the best practices perspective and those who identify with the best fit approach (Boxall and Purcell, 2000). Becker and Gerhart (1996) suggest that if there is a generalizable best practice effect, it will not exist at the level of Human Resource practice, but will instead be due to the overall 'architecture' of the system which is guided by the principles underlying the HR system regarding desired HR outcomes (commitment), which if deeply embedded in the organization will lead to a best practice effect. Becker and Gerhart (1996) suggest that: one architectural element of a high performance Human Resource system to employee performance is to be valued and rewarded at all times. The best practice and configuration perspectives are not necessarily in conflict, but operate at different levels of the Human Resource system. Regarding the notion of internal fit, Roche (1997) identifies what he terms 'threshold-fit', which he suggests is the dominant perspective within the commitment model. In this regard, unless a high threshold of policy development exists simultaneously across all the Human Resource policy areas (i.e. 'threshold' and 'fit' exist concurrently), the desired effects on either employee behaviours or organizational performance will not be achieved Cronburge, T(2010).

Roche (1997) also identifies a second conceptualization of internal fit that he labels the 'leading policy areas' version. This perspective proposes that not all HR policy areas need to embody commitment-type principles in order for coherence or fit to be achieved Kenrick,D Grickevicius V.Neuberger, S. L. and Shaller, M. (2010). It is possible that there exist a number of 'core' Human Resource practices, which when used in combination will influence the commitment of employees yielding into high motivation and improved profits.

### **Basic Needs Hierarchy Theory (Abram Maslow, 1943)**

Maslow came up with the need theory; there are certain minimum requirements that are essential to a decent standard of living. This theory condenses the numerous needs that scholars have identified into a hierarchy of five basic categories. The needs start from the

minimum need which will include the need to satisfy biological requirements like food, air, water, and shelter. The organization should help satisfy employee' physiological needs through motivation in form of a financial reward which will bring satisfaction to the majority lower cadre staff. It is only after achieving this that the security will be needed. Safety needs at work could include physical safety (e.g. protective clothing) as well as protection against redundancy and wounding up of the firm as they are assured of a secure and stable environment. The organization should help satisfy these safety needs by offering good benefits.

It is only after achieving this that the social needs come into effect in the mind of the employee which may includes the need for love, affection, and interaction with other people (e.g. working with supportive colleagues, teamwork without segregation, proper and well defined communication among others). It is the responsibility of all organizations that value Human Resource as the key to all performing that will create a good environment that will help satisfy employees' social needs through team building, sports teams, parties and celebrations. The top management must aim at demonstrating a very careful attitude to its entire workforce.

The other need as per the Maslow hierarchy theory is Esteem, that is, self-esteem through personal achievement as well as social esteem through recognition and respect from others. Esteem needs are about being given recognition in public for a job well done and criticized in privacy. The organization should help satisfy employees' esteem needs by matching skills and abilities of employees to the job to allow maximum satisfaction. The supervisors can fulfill esteem needs by showing workers that their work is highly appreciated. It is important for a job enlargement, higher responsibility through delegation of duties and job enlargement that will help attain this need. A promotion at work might also be the crowning factor in this case.

The topmost is the self actualization need which is mainly for the top management who have achieved and had a satisfaction of all the other needs. it represents the need for self-fulfillment or may course a sense that the person's potential has been realized Self-actualization, is about how people think about themselves. It is often measured by the extent of success and/or challenge at the work place in any organization. Since Self-actualization needs are the desires for self- fulfillment and the realization of the individual's full potential, the supervisor can help fulfill self-actualization needs by assigning tasks that challenge employees' minds while drawing on their aptitude and training. Maslow recognized that an employee's behavior is motivated simultaneously by several need levels, but behavior is motivated mostly by the lowest unsatisfied need at the time. As the person satisfies a lower-level need, the next higher need in the hierarchy becomes the primary motivator. As soon as you satisfy one need the employee develops a higher need that becomes the primary need to him or her. Maslow's model has great potential appeal in the business world. Management can find out which level

each employee has reached, and then they can decide on suitable rewards since employees prefer different rewards at different levels.

Although Maslow's needs hierarchy is one of the best-known organizational behavior theories, the model is much too rigid to explain the dynamic and unstable characteristics of employee needs. Researchers have found that individual needs do not cluster neatly around the five categories described in the model. Moreover, gratification of one need level does not necessarily lead to increased motivation to satisfy the next higher level. Despite these limitations, Maslow's thinking remains influential and continues to influence management deliberations in respect of job design, pay and reward structures (Huczynski and Buchanan, 2001). Therefore when this theory is applied to the people in the organization, they are able to put in all their best and this will lead to organizational performance.

### **Put Forward the Instrumentality Theory (Meyer H, 1991)**

This theory was based on the belief as one does one thing, it may lead to the other. It simply states that "people only work for money". It further states that "it is impossible through any long period of time to get workmen to work much harder than the average men around them unless they are assured a larger or permanent increase in pay". This theory is further reinforced by Armstrong (2004) on the concept of conditioning the theory that people can be 'conditioned' to act in certain ways if they are rewarded for behaving as required. Employees look at what they are going to gain at the end of the day and it will either motivate them to perform or not. It is also called the "law of effect". Greer et al (1999) developed the needs theory which finds basis on the belief that the content of motivation consists of needs, unsatisfied need creates tension and a state of disequilibrium which if not satisfied then the organization stands a lot to loose Gotoh, F. (2012). To restore the balance a goal that will satisfy the need is identified and a behavior pathway that will lead to the achievement of the selected goal expectations. An organization that works hard to adopt this theory will be able to highly influence its employees to achieve the intended objectives.

### **Equity theory (John Stacey Adams, 1965)**

This theory was the work of John Stacey Adams, a workplace and behavioral psychologist, who put forward his Equity Theory on job satisfaction in 1965. Concept that people derive job satisfaction and motivation by benchmarking of their efforts (inputs) and income (outputs) with those of the other people in the same or other firms and equity must be maintained. There should be a lot of fairness just like in sportsmanship as per Gill, D. and Stone R. (2010) . The theory acknowledges that subtle and variable factors affect each individual's assessment and



perception of their relationship with their work, employees and the overall performance of the organizations. As the equity theory, awareness and cognizance of the wider situation and crucially -comparison feature more strongly here. As this is done there must be a very clear communication to the affected in order to be transparent and fare to all parties as per Guerrero, Andersen and Afifi (2007). The Adams' Equity Theory model therefore extends beyond the individual self, and incorporates influence and comparison of other people's situations - for example colleagues and friends - in forming a comparative view and awareness of Equity, which commonly manifests as a sense of what is fair. When people feel fairly or advantageously treated they are more likely to be satisfied; when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation. The way that people measure this sense of fairness is at the heart of Equity Theory.

Equity, and thereby the motivational situation we might seek to assess using the model, is not dependent on the extent to which a person believes reward exceeds effort, nor even necessarily on the belief that reward exceeds effort at all. Rather, Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or her reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation. Therefore Equity theory is based on the principle that since there are no absolute criteria for fairness, employees generally assess fairness by making comparison with others in similar situations (Beardwell and Claydon, 2007). To assess fairness an employee is likely to make a comparison between the level of inputs and outputs they are making compared to the other employee.

### **Human Capital Theory (Schultz, 1961 and Becker, 1964)**

Human Capital theory was proposed by Schultz (1961) and developed extensively by Becker (1964). Becker has explained in his publication titled "Human Capital: A theoretical and Empirical Analysis to special reference to education". Human Capital Theory was developed in the sixties due to the realization that the growth of physical capital was only small part of growth in the growth of income. Economist Theodore Schultz introduced return-on-investment, which highlights the cost-benefit analysis of training and education. Gary Stanley Becker developed the human capital theory based on Schutlz's research on return-on-investment. Becker also introduced the concept of general- purpose human capital and firm-specific human capital that is widely used by human resource development practitioners worldwide.

According to the theory, Human capital theory suggests that education or training raises the productivity of workers by imparting useful knowledge and skills, hence raising workers' future income by increasing their lifetime earnings (Becker, 1994). It postulates that expenditure



on training and education is costly, and should be considered an investment since it is undertaken with a view to increasing personal incomes. The human capital approach is often used to explain occupational wage differentials. Human capital can be viewed in general terms, such as the ability to read and write, or in specific terms, such as the acquisition of a particular skill with a limited industrial application. In his view, human capital is similar to “physical means of production”, e.g., factories and machines: one can invest in human capital (via education, training, medical treatment) and one’s outputs depend partly on the rate of return on the human capital one owns. Thus, human capital is a means of production, into which additional investment yields additional output. Human capital is substitutable, but not transferable like land, labour, or fixed capital. Therefore by investing in human capital the organization is able to have talented workforce who will feel motivated and be part of the firm (retention of employees) hence leading to organizational performance.

However, there is criticism to this theory that could be argued here based on assumption that education in fact guarantees employee retention. The theorists clearly did not take into account the transfer of learning. Does the duration of education and training really be assurance of retaining the employee in the organization? Certainly this notion is ideal, but questionable. A highly skilled employee could as well look for a much more paying job!

### **Human Resource Management Practices**

It can be concluded from the Theoretical researches that Human Resource Management practices are not standardized as such researchers tend to select a set of HRM practices depending on the theoretical perspective used (Guest, 2001). There are very many of them as there has been know known researcher who has combined all of them in one different researchers have only had to combine some particular bundles of these practices.. Considering, that there is no evidence that a particular bundle is superior to another and that the number and type of Strategic HRM systems differ according to the aims and objectives of each individual work, Bettencourt and Gwinner (1996) group HRM practices into two HRM systems. one of them is the HRM system aiming at attracting and developing human resources in any organization that wants to be benchmarked by other organizations - Recruitment & selection, Training & development, etc. The other one is those aiming at retaining human resources - Performance appraisals, reward & compensation systems, flexible work arrangements, etc.

One study is one conducted by Day and Wensley (1988) on compensation; they found that incentive-based reward systems were more effective in growth stage and in high-tech companies. Jackson, Schuler and Rivero (1989) examined the variation in performance appraisal, compensation, and training and development programs within different strategic

setting. It was concluded from the survey that an impressive responses for 267 firms showed firms utilizing an innovation strategy as a means of differentiation versus other firms were: some organizations were less likely to use incentive compensation, while some offered employment security; others put more emphasis on training and development with an aim of being focused on the future needs.

### ***Recruitment and Selection***

This is in line with the high levels of group orientation of the firm's culture that leads firms to show a preference for recruiting people they already know and trust and base their selection on less objective criteria. According to Myloni et al., 2004, recruitment and selection primarily aims at attracting maximum number of highly talented applicants and selecting the best to in order to achieve competitiveness in the firm. The process entails concerted efforts by management to ensure implementation enduring success of organizational strategy. Cisco (2006) argued that without excellent induction, the execution of organizational strategy may vacillate. Effective selection system based on modern and need-based tests is essential to affect desirable selection. Considerable resources are needed to ensure the effectiveness of these selection tests. Pfeffer (1995) contended that maximum resource should be dedicated to develop top-quality selection system.

Compatible of individual and organizational value is an essential dimension that should receive priority for sustained retention. Jyothi and Venkatesh (2006) concluded that person-job fit yields sustainable results. Merit-based and transparent induction system enhances organizational credibility and makes the workforce loyal to the organization. In addition it communicates prospects of excellent performance and conveys the employees' oriented value of the firm. Gomez-Mejia et al. (2003) strongly favoured an induction system free of discrimination. Effective orientation and socialization programmes are essential to affect sustained improvement in productivity and reduce intention to quit (Garvey, 2001). Delany and Huselid (1996) established that practicing an effective recruitment and selection process has positive relationship with organizational performance.

### **Training & Development**

This is the process that enables people to acquire new knowledge, learn new skills and perform tasks better. Training designs summarizes all that is required in training to enable the trainee, upon completion, to perform efficiently. "Training focuses on learning the skills, knowledge, and attitudes required to initially perform a job or task or to improve upon the performance of a current job or task, while avoiding activities that are not job related, but concentrate on

broadening the employee's horizons" (Nadler and Wiggs, 1986). Education, which focuses on learning new skills, knowledge, and attitudes to be used in future work, also deserves mention (Nadler and Wiggs, 1986). Changing business environment necessitates that learning organizations should spend on training of employees to enhance organizational ability to positively respond to the dynamic environment (Jarventaus, 2007). Strategic focus on training, acquisition of new skills based on firms' future needs, training in hard and soft skills, and evaluating effectiveness of training are vital to achieve enduring results. Career development has psychological meaning to the employees (Jarventaus, 2007).

Training can be used in a variety of ways, including orienting and informing employees; developing desired skills; preventing accidents through safety training; supplying professional and technical education; and providing supervisory training and executive education (Cherrington, 1995). Some of the benefits are reducing the learning time for new hires, teaching employees how to use new or updated technology, decreasing the number and cost of accidents because employees know how to operate a machine properly, providing better customer service, improving quality and quantity of productivity, and obtaining management involvement in the training process (Cherrington, 1995). When managers go through the training, they are showing others that they are taking the goals of training seriously and are committed to the importance of human resource development.

Research studies have demonstrated that training has a positive influence on organizational performance. Bartel (1994) for example, has demonstrated that investments in training programs made by low productivity companies resulted in productivity growth large enough to reach the labour productivity levels of comparable businesses. Russell, Terborg and Powers (1985) have shown a strong positive relation between percentage of trained employees and performance. The type of training depends on the material to be learned, the length of time learners have, and the financial resources available. Training focuses on the current job, while development concentrates on providing activities to help employees expand their current knowledge and to allow for growth. Types of development opportunities include mentoring, career counseling, management and supervisory development, and job training (Cherrington, 1995).

### ***Reward Management***

A reward system is governed by the need to reward the right things to get the right message across about what is important. It is a well established principle that salary assessments should occur well after performance and reviews have been completed (Guest and Peccei, 1994). Compensation should be legal and ethical, adequate, motivating, fair and equitable, cost-

effective, and able to provide employment security (Cherrington, 1995). This may either be in monetary returns and allied services provided to employees (Milkovich & Newman, 1999). A comprehensive compensation mix augmented by an effective system of disbursement plays an effective role in attracting the best candidates, shaping employees, behavior and performance outcome, and facilitates retention of talents. Application of competencies enhances performance and improves effectiveness. Berndardin and Russel (1993) concluded that compensation and reward planning is an important factor of an effective HRM policies. Mathis and Jackson (2004) argued that a balanced, fair and competitive compensation and reward system affect labour turnover. A valence- based reward philosophy act as the driver or individual and team performance (Dreher & Dougherty, 2005). Strong evidence exists in literature about the positive and significant relationship of compensation and rewards on employees behavior and organizational performance. Chiu et al., (2002) stated that compensation and rewards significantly affects organizational outcome. Jyothi and Venkatesh (2006) found that competency-based pay and rewards improves productivity and reduces labour turnover. A study done by Chiu et al. concluded that an effective compensation and reward system increases sales, reduce staff turnover, and improve firms' performance.

### ***Employee Relations***

Employee relations consist of all those areas of human resource management that involve relationships with employees directly and or through collective agreements where trade unions are recognised. Employee relations refer to interrelationships, both formal and informal; between managers and whom they manage (Cole, 2002). It embraces contractual obligations, communication policy and practice; joint decision-making and problem solving. Collective bargaining, individual grievance and disciplinary policy and practice, employee development and employee welfare are the main contributors of these relationships. The processes consist of the approaches and methods adopted by employers to deal with employees collectively or individually. These are based on organizations articulated or implied employee relations policies and strategies recognising the uniqueness of each organization. Armstrong (2002) emphasise that "there is of course no such a thing as a model employee relations policy.

Employee involvement is often viewed as an integral part of High Commitment Work Systems. Involvement in decisions provides a sense of ownership of and commitment to both those decisions and the organization (Guest, 1992). Clearly, employee involvement processes should engender the perception that the organization values employee contributions. Thus, we predict that involvement increases commitment. Additionally, employee involvement might be perceived by workers as a discretionary positive benefit. Further, Lawler et al (2003) found that

when parties to an exchange relationship work together toward a super coordinate goal, relational cohesion increases. In that employee involvement serves the dual purposes of enriching jobs and improving organizational processes and outcomes. Employee involvement is often realized in the form of increased worker responsibility and autonomy (Stone, 2005).

Employee participation systems and internal labour markets that provide an opportunity for employee to advance within a firm and team based production system are all focus of work organization that have been argued to positively affect firm performance. According to Oreilley (1993), formal information sharing is important for the sake of making employee maximize on their job performance. For example, the clearer an employee is about the basic goals and mission of the organization the easier it is to direct job activities in that direction. Research carried on the importance of communication shows positive relationship between effective communication and improvement of the quality (Feather, 1981). The above view is supported by Hall (1991), "information is critical as it affects attitude and motivation of employee".

When formulating or adopting HRM strategies Drucker cited in Harvard business review Sept – Oct 1994 an insight that would assist a visionary manager. Effective management communication is one of the major influencing factors of employee performance management contributing to organization productivity as per Thai, Chuang & Hsieh, (2009). A knowledgeable worker himself, Drucker was particularly interested in the growing importance of people who worked with their minds rather than their hands. He was intrigued by employees who knew more about certain subjects than their bosses or colleagues but who still had to cooperate with others in the organization.

## METHODOLOGY

The study adopted descriptive research design as the study is not confined to the collection and description of the data, but seeks to determine the existence of certain relationships among the research variables. The descriptive design as applied in the study was used to obtain and describe information on the critical analysis of HRM practices on organization performance of public Universities in Kenya.

The target population for this study was 1938 employees of private universities, the study specifically focused on 160 staff drawn from middle and lower level of management of University of Nairobi, Kenyatta University, Moi University, Jomo Kenyatta University of Agriculture and Technology and Egerton University. These universities have been selected owing to their vast expansion in the Nairobi County and therefore it would be interesting to study their employee performance since they were in a position to give reliable information on Human Resource Management practices on organization performance.

Stratified random sampling was used to select the population from which a sample was drawn. The technique was applied so as to obtain a representative sample since the population was heterogeneous. The study selected respondents randomly from each of the job strata from the middle and low levels of management; Stratification aimed to reduce standard error by providing some control over variance. For this research a sample size of 80 respondents was considered adequate. The researcher using simple random sampling selected randomly 6 middle level managers and 10 middle level managers from each of the six public universities.

Data was collected mainly by use of questionnaires. The study adopted a drop and pick method where the instruments were dropped and collected after having been completed by the respondents, frequent follow ups was done to overcome low response rate and chances respondents forgetting to fill in the questionnaires.

Before processing the responses, the completed questionnaire was edited for completeness and consistency. The questionnaire was then coded to enable the responses to be grouped into various categories. The researcher used descriptive statistics and inferential statistics to analyze data. SPSS and Microsoft excel software was used to generate the statistical outputs.

Content analysis was used to test data that was qualitative in nature or aspect of the data collected from the open ended questions. The Multiple regressions were used to determine the predictive power of the factors on organisation performance. The study tested the following regression equation:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

$Y$  = Organization performance

$X_1$  = Recruitment and selection

$X_2$  = Training and Development

$X_3$  = Reward management

$X_4$  = Employee Relations

$\varepsilon$  = Error term

$\beta_0$  = Constant

$\beta_1 - \beta_4$  = Coefficients of independent variables



The accuracy of data collected largely depended on the data collection instruments in terms of validity and reliability. Validity as noted by Robinson (2002) is the degree to which result obtained from the analysis of the data actually represents the phenomenon under study. Validity was censured by having objective questions in the questionnaire. This was achieved by pre-testing the instrument to be used to identify and change any ambiguous, awkward questions and in this study; reliability was censured by pre-testing the questionnaire with a selected sample from one of the departments which was not included in the actual data collection. To ensure a high response rate, frequent follow up visits to the respondents and confidentiality was assured. Diplomatic pleading for response was applied as a response enhancement strategy.

Reliability was measured through Cronbach's Alpha which measures the internal consistency. The alpha value ranges between 0 and 1 with reliability increasing with the increase in value. Nunnally (1978) stated that reliability of a research instrument can be indicated at a minimal Alpha value of 0.6. Cronbach's alpha was calculated by application of SPSS for reliability analysis. Four constructs were tested in this study: recruitment and selection; training and development, reward management and employee relations. 'Recruitment and selection' had a Cronbach's alpha of 0.876, 'training and development' had cronbachs Alpha value of 0.788, 'reward management' had an Alpha value of 0.783 and 'employee relations had a reliability value of 0.683.

Validity analysis was conducted by use of factor analysis. In this case communalities were considered since the results were more meaningfulness of inferences based on the research results. It can be enhanced by absence of errors in the data collected.

## RESULTS AND DISCUSSIONS

The study findings are presented to critically analyse the HRM practices on organization performance of public Universities in Kenya with a focus on Nairobi County. The data was gathered exclusively from the questionnaire as the research instrument. The questionnaire was designed in line with the objectives of the study.

The study was conducted among the middle and lower level managers from the staff working at University of Nairobi, Kenyatta University Moi University and Jomo Kenyatta University of Agriculture and Technology, Egerton University and technical university of Nairobi.

Through Stratified random sampling a sample was drawn of 80 respondents were selected to participate in the study all of whom were served with questionnaires; however, the respondents returned only 76 questionnaires were duly filled-in. This makes a response rate of 95%. This response rate was fair, representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting, a rate of

60% is good and a response rate of 95% and over is excellent. This commendable response rate was made possible after the researchers personally administered the questionnaires and made further visits to remind the respondents to fill-in the questionnaires.

Table 1 Recruitment and Selection on Organization Performance

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std . Dev.
Proper recruitment and selection have both positive and negative effects on performance.	4	6	38	45	7	3.45	0.2
Proper Recruitment and selection improve workers morale and motivation and hence the organization performance	4	11	62	19	4	3.08	0.1
Recruitment and selection policies force firms into inefficient personnel hiring and firing practices.	3	2	53	21	11	3.05	0.3
Proper Recruitment and selection can reduce staff turnover which can be a benefit to the organization in terms of performance	2	3	32	47	16	3.72	0.1

Table 1 shows that recruitment and selection have both positive and negative effects on performance shown by a mean of 3.45, proper recruitment and selection improve workers morale and motivation and hence the organization performance as shown with a mean of 3.08, recruitment and selection policies force firms into efficiency personnel hiring and firing practices as shown by a mean of 3.05, it can reduce staff turnover which can be a benefit to the organization in terms of performance as shown by a mean of 3.72.

Table 2 Training and development

	Strongly disagree	Disagree	Neutral	agree	Strongly agree	Mean	Std. Dev.
Training and development practices have been characterized by centralization and highly bureaucratic procedures	5	15	46	28	6	3.15	0.4
Training and development as a practice in your organization are largely restricted to the implementation of standardized procedures and agreements with little scope of discretion	4	10	52	32	2	3.18	0.2

The findings on Table 2 indicated that training and development practices have been characterized by centralization and highly bureaucratic procedures as shown by a mean of 3.15. The role of the training and development in public universities is largely restricted to the implementation of standardized procedures and agreements with little scope of discretion as shown by a mean of 3.18.

Table 3 Employee reward management on organization performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std . Dev.
Employee reward management and organization performance are highly related	9	11	47	27	6	3.10	0.3
Employee reward in your organization is transparent and precise for a warm relationship among employees	5	4	26	58	7	3.58	0.2
The reward system is written down and well communicated in your organization	4	6	48	37	5	3.33	0.1

Table 3 shows that the respondents agreed that employee reward management and the organization performance are related and they had the lowest mean of 3.10; there is need for something to be done. Employee reward system is transparent and precise for a warm

relationship among employees as shown by a mean of 3.58, The findings also indicated that organizations depend more on written reward system is well communicated as shown by a mean of 3.33.

Table 4 Employee relations on Organization Performance

	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Mean	Std. dev.
Good Employee relation in the workplace between employers and employees or indeed between employees and their colleagues happen from time to time.	2	34	45	16	3	2.84	0.5
Poor Employee relations can lead to misunderstandings or mistakes and poor communication and decision making, tensions or personal difficulties, breaches of trust or of the law, infringements of personal dignity or human rights, inability or unwillingness to perform allocated work and unacceptable behavior.	4	6	47	24	19	3.48	0.3
Good employee relations in employment has declined and employers have received more power in individual wage negotiations with their employees	3	4	48	21	24	3.59	0.2
Poor employee relations affect morale, reduce productivity and ultimately undermine organization performance and growth	4	7	23	52	14	3.65	0.1
Poor employee relations in the workplace costs time and money. For individuals, the potential for personal distress is considerable.	3	4	48	21	24	3.59	0.2

It can be said that from the study that employee relations in the public universities occurs from time to time as shown by a mean of 2.84 which is manageable (Table 4). Further on, employee relations can arise due to misunderstandings or mistakes and poor communication and decision making, tensions or personal difficulties, breaches of trust or of the law, infringements of personal dignity or human rights, inability or unwillingness to perform allocated work and unacceptable behavior. Good employee relations have declined and employers have received more power in individual wage negotiations with their employees as shown by a mean of 3.48.

Further, poor employee relations affect morale, reduce productivity and ultimately undermine organization performance and growth as shown with a mean of 3.65, it indicates that disputes in the workplace costs time and money, for individuals, the potential for personal distress is considerable as shown by a mean of 3.59.

### Correlation Analysis

Prior to carrying out a multiple regression analysis, a correlation matrix was developed to analyze the relationships between the independent variables as this would assist in developing a prediction multiple models. Correlation analysis helped to detect any chance of multicollinearity.

Table 5. Correlation coefficients

		Recruitment and selection	Training and development	Reward management	Employee relations	Organization Performance
Recruitment and selection	Pearson	1	.364	.034	.172	.073
	Correlation					
	Sig. (2-tailed)		.302	.926	.634	.532
Training and development	N	10	10	10	10	10
	Pearson	.364	1	.594	.148	.396
	Correlation					
Reward management	Sig. (2-tailed)	.302		.070	.683	.842
	N	76	76	76	76	76
	Pearson	.034	.594	1	.361	.276
Employee relations	Correlation					
	Sig. (2-tailed)	.926	.070		.305	.640
	N	76	76	76	76	76
Organization Performance	Pearson	.172	.148	.361	1	.264
	Correlation					
	Sig. (2-tailed)	.634	.683	.305		.732
	N	76	76	76	76	76
	Pearson	.073	.396	.276	.264	1
	Correlation					
	Sig. (2-tailed)	.532	.842	.640	.732	
	N	76	76	76	76	76

As shown in Table 5, all the four independent variables had positive correlations indicating that they have a positive and significant influence on organizational performance of private universities in Nairobi County.

The findings indicated that employment practices had the highest correlation of ( $r = 0.842$ ), followed by employee communication( $r = 0.732$ ), Dispute resolution with ( $r = 0.640$ ), and finally industrial relations with ( $r = 0.532$ ).

### Regression Analysis of the Variables

Multiple regression models were applied to determine the relative importance of each of the four variables on the organization performance. The regression model was as follows:

Table 6: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.7503(a)	.562	.521	.08381

The results of the study showed that the coefficient of determination was  $R^2 = 0.562$  which was the predictive power of the model. The model indicated that 52.1% of variations in the organization performance were explained by the independent variables, meaning that the remaining 47.9% was explained by other factors that were not considered in this study.

Table 7 Regression Coefficient

Model 1	Unstandardized Coefficients		Standardized Coefficients	T-test	Sig.
	B	Std. Error	Beta		
(Constant)	4.053	2.061		1.652	.104
Industrial relations	.162	.072	.204	2.221	.030
Employment practices	.423	.078	.623	5.344	.000
Dispute resolutions	.176	.053	.374	3.063	.003
Employee communication	0.753	0.53	0.914	2.065	.001

Predictors: (Constant), Industrial relations, employment practices, dispute resolutions, employee Communication

Dependent Variable: Organization performance

The results and findings of the study indicated that the four independent variables met the threshold of 0.05. It was only the constant that was not significant. The results also indicated that employee practices had a positive and significant P-value of 0.00, followed by employee



communication with P- value = 0.01, dispute resolutions had P-value = 0.003 and finally industrial relations had a P - value of 0.030

Table 8: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	0.002	2	.001	3.869	.015
	Residual	0.609	74	.021		
	Total	0.611	76			

From the analysis of variance Table 8, the processed data, which was the population parameters, had a significance level of 0.015 which shows that the data was ideal for making a conclusion on the population's parameter as the value of significance (P-value ) was less than 5%. The calculated F- Value was greater than the critical F- value ( $2.262 < 3.869$ ) an indication that industrial relations, employment practices, employee communication, were significantly influencing organization performance of private universities in Nairobi County. The significance value was less than 0.05 an indication that the model was statistically significant. Using the values of the coefficients ( $\beta$ ) from the regression coefficient Table 7, the established multiple linear regression equation takes the form of;

$$Y = 4.053 + 0.162X_1 + 0.423X_2 + 0.176X_3 + 0.753$$

Where;

Constant = 4.053; when value of the independent variables are zero, the organization performance 4.053.

$X_1 = 0.162$ ; one unit increase in industrial relations would results in 0.162 units increase in the organization performance

$X_2 = 0.423$ ; one unit increase in employment practices would results in 0.423 units increase in the organization performance

$X_3 = 0.176$ ; one unit increase in dispute resolution would results in 0.176 units increase in the organization performance

$X_4 = 0.753$ ; one unit increase in employee communication would results in 0.753 units increase in the organization performance

## CONCLUSIONS AND RECOMMENDATIONS

The study concludes that based on the research results and finding of the study, human resource department is a key department of any high profile institution like a university. It further concludes that the institutions involved their staff in decision making, have a formal grievance procedure and a formal disciplinary procedure. The study also concludes that supervisors involved other staff in the coming up with recruitment policy. The study also indicated that the independent variables had a positive and significant influence on organizational performance of the public universities in Nairobi County.

The study recommends that the universities should employ best human resource management practices to achieve consistently improving results in their organizational performance. The study also recommends that the institutions should have a formal and well established grievance and disciplinary procedure to deal with any complaints by the staff. These provide a mechanism to redress grievances, and promote "voice" over "exit." Such procedures encourage the view that the organization seeks fairness and is open to call for change. Because this concern for due process and fairness signals the organization's support and its commitment to employee concerns, grievance mechanisms should increase employee commitment. The study further recommends that members of staff should always be involved in issues relating to remuneration and working conditions to curb numerous strikes in the universities due to lack of proper platform for airing grievances.

## LIMITATION OF THE STUDY & FURTHER STUDIES

The researchers experienced a challenge in securing the employees precious time considering their busy working schedules. Proper arrangements with employees were made in order to avail themselves for the study off-time hours as well as motivating the employees on the value of the study. The study was only confined to Nairobi County

The study recommends that further research on the same be done on other higher level educational institutions in Kenya. This is because academic institutions of different caliber have unique characteristics and diverse contextual realities that might influence their responses and consequently the approach to different response strategies. This would bring out comprehensive empirical findings on the analysis of human resource management practices on organizational performance. Other independent variables for further research may include entry and exit strategies, communication strategies and dispute resolution strategies.

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