EFFECT OF HUMAN RESOURCE MANAGEMENT POLICIES ON ORGANIZATION PERFORMANCE: A CASE OF FRIGOKEN LIMITED

BY

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UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

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fulfillment of the Requirement for the Degree of Masters of Science in
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UNITED STATES INTERNATIONAL UNIVERSITY- AFRICA

SUMMER 2018
STUDENTS’ DECLARATION

I, undersigned, declare this is my unique work and has not been submitted to some other university, or college other than the United States International University in Nairobi for scholarly credit.

Signed: ___________________________ Date: _________________
Beth Nungari Kamande (647020)

This project report has been submitted for examination with my approval as the appointed Supervisor at United States International University-Africa.

Signed: ___________________________ Date: _________________
Dr. James Mark Ngari, PhD

Signed: ___________________________ Date: _________________
Dean, Chandaria School of Business
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ABSTRACT
The general objective of the study was to determine the effect of Human Resource Management policies on organization performance a case study of Frigoken Limited. The researcher was evaluating four key HRM policies (recruitment and selection, reward policy, employee relations policy and training and development policy) as independent variables to find out how they affect the organization performance in terms of Productivity and employee satisfaction at Frigoken Limited. Chapter two highlighted and detailed and critical analysis of existing literature that has been carried out in relation to the effect of human resource policies on organizational performance. This chapter reviewed the existing literature concerning the recruitment and selection, reward management, employee relations and training and development and their relationship with organization performance.

Chapter three discusses the methodology that was used when carrying out data collection which involves the research design as used in this study, the population of the study, sampling method used, data collection methods and data analysis and presentation. The researcher chose the descriptive design since descriptive studies can give specific or group characteristics for a sampled population. It determines the frequency with which something occurs or its association or correlation with something else. It also minimizes bias and maximizes reliability of the evidence collected if designed within precise objectives and on relevant data. Yamane's equation of 2001 was utilized to decide the example measure from populace inside every stratum (exchange and administrative). In the examining of exchange and administrative, a standard error of 95% was considered in this study. On a populace of 2500 it gave a 95 percent level of certainty and a greatest fluctuation (p) =0.06.

The findings of the study on the effect of Human Resource Management policies (recruitment and selection, reward policy, employee relations policy and training and development policy) on organization performance. These outcomes and discoveries depended on the information given out by the respondents. The part gave examination on the reaction rate, foundation data and the four destinations. Frigoken Ltd has formulated an active recruitment and selection policy 3.74, employees are fully satisfied with the recruitment and selection practices in the institution with a mean of 3.72, Frigoken Ltd
links its recruitment and selection policy to the overall Frigoken Ltd strategy which improve performance with a mean of 3.60, Recruitment produce qualified candidates with a mean of 3.52, Organizational performance is affected mainly by recruitment with a mean of 3.40 and Speed, quality and uniformity of Recruitment & Selection improve performance with a mean of 3.22. reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization with a mean of 4.13, When employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance with a mean of 3.98, A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization with a mean of 3.88.

The conclusions drawn based on the objectives of the study include: The organizations had existing formal policy for recruitment and selection of workers, the management objective for recruiting workers despite the existing recruitment and selection policy must be re-looked at to avoid critical failure in-terms of recruitment purpose including undesirable levels of staff turnover and claims of discrimination from unsuccessful job applicants. Conclusively, the research findings justify that Recruitment and Selection Policy plays great role in ensuring that the company performs at its best. The study concludes that the existing reward policy has enable the organization to remunerate employees fairly, emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. The study concludes that training and development of the employees has direct contributions in the high achievements of organization which shows better performance. Training increased the organizational performance which predicted by many researches.

The study recommends that there is a need for reviewing recruitment and selection policy of the Frigoken Limited so as to cope up with dynamic changes for the recruitment and selection processes. With globalization and advancement of technology there is a need of the company to adopt the digital system which will create a pool of relevant job seekers with their qualifications at company’s hand. This will help to reduce time wastage in sourcing the candidates when need arises. It is important that future research studies will give more attention to how can HRM influence organizational performance. Little is
known about the paths HRM takes to become valuable in achieving organizational performance.

ACKNOWLEDGEMENT
First I would like to thank the Almighty God for giving me life and strength throughout my course work and my research project period. Secondly I wish to convey my sincere gratitude to my supervisor Dr. James Ngari for his intellectual contribution and support in this research paper. My gratitude also goes to my family for allowing me time to undertake my study.
DEDICATION

I dedicate this paper to my family. May the glory of Lord be with you forever
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

Human Resource Management (HRM) has made a change from a condition of unimportance to one of key significance academically and business wise (Schuler et al., 2013). As firms are going into a more unique universe of worldwide business and as the globalization of world markets proceeds apace, near human asset administration issues seem, by all accounts, to be picking up force. The two experts and academics in the field of human resource administration are progressively mindful of the need to analyze and comprehend the human resource administration frameworks reasonable to various areas of the economy. They are occupied with finding significant human resource administration approaches and practices for various kinds of associations, for instance, open/private area, fabricating/benefit division. Human asset administration rehearses are vital to enhance the nature of administrations offered by associations. In the expressions of Pfeffer (2014), having great human asset administration is probably going to produce much unwaveringness, duty or readiness to consume additional exertion for the associations goals.

Besides, Stone (2008) comments that human resource administration is either part of the issue or part of the arrangement in picking up the profitable commitment of individuals. The above statements propose that associations need to successfully deal with their HR in the event that they are to get top level input of their workers and thusly return on their speculation. In financial downturns, all representatives are relied upon to be superior workers and concentrated on what makes a difference most. As associations endeavor to execute business systems, concentrate representatives on work that issues consider individuals responsible, pay for execution and measure the arrival on their immaterial resources, human asset administration rehearses keep on being returned to and patched up. Without question, human asset administration is one of the organization capacities that have encountered noteworthy changes in the course of the most recent couple of decades. Since the start of the 1980s, a huge writing has been created requiring a more vital part for HR (Armstrong, 2011).
The expanding enthusiasm for HR is because of the presumption that representatives and the way they are overseen is basic to the achievement of association and can be a wellspring of supportable upper hand (Wright et al., 2014). The developing significance appended to HRM as a pre imperative for business survival has energized thinks about into various fields specifically International HRM, Comparative HRM, Micro HRM and Strategic HRM, which covers a huge swath of styles and highlights of the idea. Notwithstanding, a few journalists, Guest (2014) see HRM as a restorative measure as in an association having a Human Resource division does not really ensure an adjustment in the administration of their kin as a benefit which the idea recommends.

The linkage between HRM and firm performance has dominated much of the debate within the HRM literature since the mid-1990s. Such Research conducted within the” best practices” paradigm to uncover a generic set of high-performance or high commitment work practices (Arthur, 2014) and best fit studies that focus on aligning HRM strategies to organizational strategies and contextual conditions to create superior firm performance (Gratton & Truss, 2013).

Huselid (2015) used several human resource management practices in his study which are; personnel selection, performance appraisal, incentive compensation, job design, grievance procedures, information sharing, attitude assessment, labour management participation, recruitment efforts, employee training and promotion criteria. On the Impact of Human Resource Management Practices on turnover, profitability and corporate money related execution the investigation thoroughly assessed the connections between the frameworks of High Performance Work Practices and firm execution. Results based on a national sample of nearly one thousand firms indicated that these practices have an economically and statistically significant impact on both intermediate employee outcomes (turnover and productivity) and short and long term measure of corporate financial performance. Support for the prediction that the impact of high performance work practices on firm performance is in part contingent on their interrelationships and links with competitive strategy was limited. Tuitoek (2008) studied performance appraisal among media houses and found that performance appraisals are used to enhance performance and career progression. conducted a study of management perception of performance contracting in state corporations. Oresi (2005) studied on employees” performance management practices for the court registry staff.
Beach (2009) submits that human assets grow and increase in value; maintaining and upgrading employees’ skills not only tend to increase productivity; but also increase commitment and motivation. It is important that organizations pay extra attention to their employees in order to attain optimum efficiency and effectiveness at the work place. Otley (2009) observes that performance in organizations can be separated in organizational performance and job performance. According to Otley (2009), the performance of organizations is dependent upon the performance of employees and other factors such as the environment of the organization. An organization that is performing well is one that is successfully attaining its objectives or one that is effectively implementing an appropriate strategy (Otley, 2009). Job performance is therefore the single most result of an employee’s work (Hunter, 2016).

Employee performance is originally what an employee does or does not do. Performance of employees could include: quantity of output, quality of output, timeliness of output, presence at work, cooperativeness (Gungor, 2011). Some studies show that the reward distribution system can undermine individuals’ performances while others show that system implementation can improve individuals’ performances. For example, determining reward in the schools for learning multiply table lead to increase efforts of students for learning while reward system in teams working lead to reduced performance if the rewards are allocated to some and not allocated to others, regardless of job type, age and skills of team members and etc (Kohn, 2013). Karin and Oliver, (2012) states that the structure and distribution of prizes may influence the inspiration of individual colleagues, and the consideration of prizes is integral to numerous models of work gather viability. It is found in the writing that reward practices of organizations are generally broke down under the grouping of inherent and extraneous prizes (Mahaney & Lederer, 2006). Inborn prizes are those that exist in the activity itself. Illustrations are accomplishment, assortment, challenge, self-sufficiency, duty, and expert development. They likewise incorporate status, acknowledgment, commend from bosses and colleagues, individual fulfillment, and sentiments of confidence (Mahaney & Lederer, 2006).

Intrinsic prizes increment sentiments of confidence and achievement (Honig-Haftel & Martin, 2013). Natural prizes are gotten from the substance of the errand itself and incorporate such factors as intriguing and testing work, self-course, duty, assortment,
inventiveness, and chances to utilize one's aptitudes and capacities, and adequate input in regards to the viability of one's endeavors (Mottaz, 2015). Representatives are spurred to strive to deliver quality outcomes when they pride in their work, trust their endeavors are vital to the accomplishment of the group, and their employments are fun, testing, and fulfilling (Mahaney & Lederer, 2006).

Extrinsic prizes are outer to the activity itself. They involve such components as pay, representative stipends, employer stability, advancements, private office space, and the social atmosphere. Different illustrations incorporate focused pay rates, increases in salary, justify rewards, and such roundabout types of installment as compensatory time off (Mahaney & Lederer, 2016). Firms can enhance specialist profitability by paying specialists a wage premium—a wage that is over the wage paid by different firms for equivalent work. A wage premium may upgrade profitability by enhancing nourishment, boosting assurance, urging more noteworthy responsibility to firm objectives, decreasing stops and the interruption caused by turnover, pulling in higher quality laborers and moving specialists to advance more noteworthy exertion (Goldsmith, Veum & Darity, 2000). Therefore, individuals are pulled in to well-paying employments, stretch out additional push to play out the exercises that bring them more pay, and end up upset if their compensation is diminished (Stajkovic & Luthans, 2001).

Managers can influence the behavior of their employees and thus the performance of the organization by taking into account factors such as the formal and informal structure, the planning, reward, control and information systems, their skills and personalities, and the relation of these to the environment. Managers influence organizational outcomes by establishing 'context', and context is the result of a complex set of psychological, sociological, and physical interactions. There are significant connections between HRM practices and firm performance; that the strategic alignment of HRM is also a driver for firm performance (Joseph & Dai, 2009)

Frigoken Ltd. (FKL) is an individual from the Industrial Promotion Services (IPS) gathering of organizations, which is a member of the Aga Khan Fund for Economic Development (AKFED)– a universal advancement office devoted to advancing business and building monetarily solid undertakings in sub-Saharan Africa and Central and Southern Asia. AKFED
falls under the umbrella of the Aga Khan Development Network (AKDN), which comprises of private, global, non-denominational organizations attempting to enhance living conditions and open doors for individuals in particular districts of the creating scene. All AKDN offices lead their projects without respect to confidence, cause or sex. Set up in 1989, Frigoken Limited (FKL) is at present Kenya's biggest vegetable processor. It creates throughout the entire year, fit in with globally perceived nourishment and security guidelines; guaranteeing clients of value, traceability, unwavering quality and administration.

Frigoken has adopted comprehensive strategy to Corporate Social Responsibility, guaranteeing that is an essential piece of its center business work. While working in a moral and manageable way, Frigoken thinks about its social, ecological and financial effects on different partners through a few ranges of prominence including: the working environment, condition, commercial center, store network, network and more extensive empowering condition. Its comprehensive plan of action incorporates the larger standards of CSR, framing a cooperative energy between formative objectives and our center business work. Through vertical combination, we draw in a great many little scale ranchers in our esteem chain, furnishing them with a lasting through the year ensured showcase.

1.2 Statement of the problem
The relationship between human resource and performance continue to be singled out as important in research and practice, given the perceived weakening of traditional sources of performance on one hand (Youndt et al., 2006), and the need for organizations to adapt to the highly dynamic and competitive business environment, in order to perform and remain relevant (Bryson, 2015). There has been growing consensus about the strategic value of HR, and the idea that complementary systems or bundles of HRM practices, when strategically configured, can significantly enhance employee outcomes and firm performance (Dyer & Reeves, 2015). It has also been demonstrated theoretically that organizational factors and employee outcomes can influence the HR-firm performance link (Chan et al., 2014; Rafferty & Griffin, 2014; Rodriquez & Ventura, 2013). Equally, several works on synergy, configurations, and contingent factors reiterate the presumption that the interaction among a combination of factors can impact significantly on employee outcomes and organizational performance (Huselid, 2015).
Performance is the major objective of an organization. Internal factors such as the organization’s competitive capabilities and both tangible and intangible resources have been known to affect the firm’s ability to meet its objectives. Many organizations have made attempts to formulate Human Resource Management (HRM) policies with an aim that such policies will support the overall organizational performance through managing employee attitudes in areas such as satisfaction, commitment, motivation and employee behaviors such as absences, turnover, and disputes. Several theories provide the background for the predictions of the relationships between HRM practices and organizational performance. Kamal (2000) suggests that a firm need to recruit and select quality personnel, motivate employees to use their discretionary efforts in support of organizational performance and provide employees with the opportunity to become engaged in organizational decisions and processes.

Several empirical studies done in the area of HR management locally and globally have focused on analyzing either the direct effect of HR policies on organizational performance, or the correlation between a HRM practice say training and firm performance, moderated by a third variable (Pfeffer, 2014; Arthur, 2014; Den et al., 2004; Kidombo, 2007). However, these studies did not adopt an interactive multivariate approach of analyzing the effect of HRM practices and multiple organizational factors and employee outcomes to determine their interactive effects on outcomes at employee and organizational levels, in the public sector firms in a non-Western country setting.

The researcher evaluates four key HRM policies (recruitment and selection, reward policy, employee relations policy and training and development policy) as independent variables to find out how they affect the and organization performance in terms of Productivity and employee satisfaction at Frigoken Limited.

1.3 General Objective

The general objective of the study was to determine the effect of Human Resource Management policies on organization performance a case study of Frigoken Limited.

1.4 Specific Objectives

1.4.1 To determine the extent to which the recruitment and selection policy contributes to the organizational performance in Frigoken Limited
1.4.2 To establish whether the reward policy contributes to organizational performance in Frigoken Limited.
1.4.3 To determine how the employee relations policy contributes to the organizational performance in Frigoken Limited.
1.4.4 To examine how the Training and development policy contributes to organizational performance in Frigoken Limited.

1.5 Importance of the Study

1.5.1 Management of Frigoken

The findings of the research study help the management of Frigoken to assess the effectiveness of the existing HRM policies. With this understanding, the organization’s management to be able to re-evaluate the existing HR polices and put in place most appropriate measures that enhance the effectiveness of HR policies.

1.5.2 Scholars

The findings aim to benefit scholars and future researchers while carrying out related studies. Policy makers especially in the field of human resource management will have a point of reference whenever they are making or reviewing new policies in the field of human resource.

1.6 Scope of the Study

The researcher carried out her research at Frigoken Limited, a vegetable processing company with its main office located at Babadogo, Nairobi. The researcher targeted to contact employees from its four levels of contract employment; top management, middle level management, junior level and casual employees from both its main office and farming division. The limitations that were encountered are those associated with quality and most important response rate based on the assumption that all respondents expected to remain anonymous. The approach is to reassure all respondents on a high level of confidentiality and discretion. The researcher carried out the research within a period of six months from February to July 2018.
1.7 Definition of Terms

1.7.1 Human Resource Management

This is the managerial utilization of the efforts, knowledge, capabilities and committed behaviour which people contribute to an authoritatively coordinated human enterprise as part of an employment exchange to carry out work tasks in a way which enables the enterprise to continue into the future (Watson, 2010).

1.7.2 HRM policies

These are guidelines that define the attitude, expectations and values of the organization concerning how individuals are treated, and still serve as point of reference for the development of organizational practices and for decisions made by people, besides resulting in equal treatment among individuals (Armstrong, 2009).

1.7.3 Organizational Performance

This is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Kaplan & Norton, 1992).

1.7.4 Strategic Human Resource Management

This is fundamentally about ‘systematically linking people with the firm’ (Schuler & Jackson, 2007)

1.7.5 Reward policies

These are specific guidelines for decision making and action. They indicate what the organization and its management are expected to do about managing reward and how they will behave in given circumstances when dealing with reward issues (Armstrong, 2006)

1.7.6 Employee relations policy

Employee relations policy sets out the organization’s approach to the rights of employees to have their interests represented to management through trade unions, staff associations or some other form of representative system. It also covers the basis upon which the organization works with trade unions, for example, emphasizing that this should be regarded as a partnership. (Armstrong, 2010).
1.8 Chapter Summary

This Chapter featured the issues on the foundation of the issue, proclamation of the issue, motivation behind the investigation; inquire about targets, and defense of the examination, extent of the examination and meaning of terms. Section two featured a point by point and basic examination of existing writing that was done in connection to the impact of human asset arrangements on authoritative execution. Part three gave an examination procedure which includes the exploration configuration to be utilized as a part of the investigation, the number of inhabitants in the examination, inspecting technique to be utilized, information accumulation strategies and information investigation and introduction. In this way, part four featured on the investigation and introduction of discoveries and ultimately section five talked about the discoveries, conclusions and making proposals of the examination.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter evaluates literature relating to the research questions. Hence, the literature reviewed relate to; the effect of Human Resource Management policies (recruitment and selection, reward policy, employee relations policy and training and development policy) on organization performance.

2.2 Recruitment & Selection Policy and Organizational Performance
Frequently the execution of organizations relates straightforwardly to the general population working inside it, which means the correct individuals should be procured to guarantee authoritative achievement (Henry & Temtime, 2009). It is additionally expensive to procure new staff into the association. This in this manner will require associations get the procedure right the first run through round, on the grounds that assets are rare. Choosing the correct candidate can be a troublesome errand, however toward the day's end, the association's notoriety is held by the general population it utilizes (Henry & Temtime, 2009). At the point when the best individuals are chosen for the activity, profitability builds (Ofori & Aryeetey, 2011). As indicated by (2014) the determination practices will figure out who is contracted. On the off chance that legitimately outlined, it will recognize capable hopefuls that can precisely coordinate the activity have been given a chance to join associations. The utilization of the correct determination gadget will expand the likelihood that the perfect individual is filled a space. The subsection below discusses the link between recruitment and selection policies and organizational performance.

2.2.1 Organizational Commitment
Recruitment, as a human resource management function, is one of the activities that impact most critically on the performance of an organization. Enrollment and selection additionally has a critical part to play in guaranteeing specialist execution and positive authoritative results. It is frequently asserted that determination of laborers happens not simply to supplant leaving representatives or add to a workforce but instead intends to set up specialists who can perform at an abnormal state and show duty. Recruitment and selection play a pivotally
important role in shaping an organization’s effectiveness and performance, if work organizations are able to acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities, recruiting and selecting staff in an effective manner can both avoid undesirable costs for example those associated with high staff turnover, poor performance and dissatisfied customers and engender a mutually beneficial employment relationship characterized, wherever possible, by high commitment on both sides. Pilbeam and Corbridge, (2006) provide a useful overview of potential positive and negative aspects noting that: „, The enrollment and selection of representatives is principal to the working of an association, and there are convincing explanations behind hitting the nail on the head. Good employees are supposed to have such characteristics as high satisfaction with their jobs, high commitment towards the organization, high motivation to serve the public and strong intentions to work for the organization willingly and devotedly. (Sangmook, 2014).

Schneider et al. (1995) opine that if an organization is able to find and employ the right people with the right knowledge, abilities and skills in the right numbers, the organization is immeasurably better placed to deal with the opportunities and threats arising from their operating environment than competitors who are always struggling to build and maintain their workforce. Edwards (2011) concurs that the starting point of successful strategies is acquiring, retaining and developing resources of at least threshold standards and it is applied to people as a resource. Vroom (1966) emphasizes that recruitment is a search for qualified people to apply for existing job position or newly created ones.

He further identifies the process of recruitment as critical. The process cannot be started until the organization decides what type of employees are required and how manyl. Further, based on attractions election- attrition (ASA) theory (Schneider et al., 1995), argues that effective selection systems should produce high person-organization fit, enhancing employee attachment to the organization. Also, employee awareness of rigorous hiring and practice of due diligence during hiring may enhance personal competence perceptions, and evidence shows that perceived personal competence is strongly related to commitment (Edwards, 2011). This suggests that the process of recruitment can enhance employee commitment.

Employee’s operational performance depends on four intervening factors: Competence, Teamwork, Organizational Commitment and Customer Orientation. Individual performance
and organizational effectiveness cannot be achieved without organizational commitment, i.e. readiness to exert considerable effort on behalf of the. Good HRM Practices lead to high organizational commitment and different researches in USA and now Britain justify them. (Marchington & Wilkinson, 2005). Thus many researches show that organizational commitment of employees plays a very important role in the increased efficiency of employees and organization.

In an individual-level analysis, Paul and Anantharaman’s (2014) study of software professionals showed that HRM practices had a significant positive relationship with organizational commitment. HRM systems have also been found to relate to commitment in samples of frontline employees from car rental, retail, and hospitality organizations in South America (Browning, 2006). Payne and Huffman (2005) found in a longitudinal study that organizational commitment mediated the relationship between mentoring, an HRM practice in the organization studied, and employee turnover over time. In a unit-level study, Wright, Gardner, & Moynihan (2013) found a positive relationship between HRM practices and organizational commitment in a study of 50 business units from a large food service corporation. Recent research has found that an employee’s career commitment is a moderator between the perception of company policies and practices and organizational commitment (Luthans, 2012). Thus, above discussed HR Systems and Researches, shows a significant relationship between HRM Practices and Organizational Commitment.

2.2.2 Organizational Productivity

The idea behind the assumption that recruitment & selection policy significantly contributes to organizational results is that the HR practices affects the employees in a positive matter, e.g. by increasing job satisfaction and motivation, which in turn affects the operational results, such as the quantity and quality of the products and services, which again will have positive effect on the financial and market performance of a company, like return on assets, revenue, and market share (Paauwe & Richardson, 2012). Acquaah indicated that HRM practices advance organizational efficiency and performance by attracting, identifying, and keeping employees with knowledge, skills, and abilities, and acquiring them to behaviour in the manner that will support the mission and aims of the organization. In this way, the effectiveness of HRM practices depends on how it encompasses the appropriate attitudes and behaviour in employees, in addition to its implementation (Acquaah, 2014).
Some researchers have recommended that evaluations of performance should be based on financial indicators (e.g., profit t), and for years, human resources issues have been secondary to such indicators. Nowadays, many researchers admit that profit alone is not sufficient to hold the excitement and adherence of employees or to pay attention to the core elements of a business that has to get attention if it is to perform adequately.

Stanton and Nankervis (2011) pointed out that organizational performance can be improved, especially through raised productivity and employment elasticity, by ranging entire employees’ performance outcomes with wide strategic business and HRM obligations. In this way, the management of singular employee’s performance, and their unified contributions to whole impressiveness, has possibly become the most significant actual HRM function in all organizations (Stanton & Nankervis 2011).

It is important that a firm embraces HRM practices that make the best use of its employees. This trend has led to an increased interest in the impact of HRM on organizational performance, and a number of studies have found a favorable relationship between the alleged high-performance work practices and different measures of company performance (Huselid, 1995). Also, there is some empirical support for the hypothesis that firms, which arrange their HRM practices with their business strategy, will achieve ascendant outcomes (Bae & Lawler, 2013).

In the increasing competitive world, human resource departments are expected to contribute to organizational performance and many organizations now believe that the accomplishment of the strategic management process mainly depends on the extent to which the human resource function is included. An increased employees’ involvement also requires an increased training of appreciation by employees. For Gamage (2014) the determination practices will figure out who is procured. On the off chance that legitimately composed, it will recognize capable hopefuls and precisely coordinate them to the activity. The utilization of the best possible determination gadget will build the likelihood that the opportune individual is filled an opening. At the point when the best individuals are chosen for the activity, profitability increments. Little ponder that writing, for example, Terpstra and Rozell (2013) announced of a positive relationship between the breadth of enlisting, choice test approval and the utilization of formal determination methodology and firm benefits.
Likewise, Rauf (2007) found that modern enrollment and determination strategies are emphatically identified with execution in associations.

**2.2.3 Customer Satisfaction**

Customer satisfaction is the degree of satisfaction provided by the goods or services of a company as measured by the number of repeat customers. It is extremely important for a business firm as they decide the fate of the business. If a company fails to satisfy their existing customers, there are many other firms who would like the opportunity to win the business. The external customer satisfaction heavily depends on the satisfaction of internal customers, i.e., employees of the business firm. Therefore, employees’ job satisfaction is a crucial determinant of external customer satisfaction that has a lot to do with HRM to enhance internal customer satisfaction (Chang et al., 2011). Hajer and Yusof (2013) have highlighted that in Iraq organizations are facing many challenges in managing and improving business performances mainly due to poor human resource management practices. The authors are of the opinion that there is a need for the companies to re-strategize their human resource practices to increase the performance.

In the modern service economy, customer satisfaction is a key factor contributing to organizational success. The collective attitudes and behaviors of the workforce in a service organization have great potential to impact customer satisfaction because of the direct contact these workers have with customers. By managing the boundary between the customer and the firm, employees in service providing jobs influence competitive advantage by shaping customer loyalty and buying behavior (Heskett, Sasser, & Schlesinger, 2012). Thus it is critical to understand what management practices contribute to the creation of positive service interactions between employees and customers. Human resource practices have been found to relate positively to firm performance in recent studies (e.g. Huselid, 1995). However, we do not yet understand the mechanisms through which these practices may influence performance. Further, much of this research has been conducted in service compared to service settings and we do not yet know the processes that may connect HR practices and customer satisfaction (Batt, 1999, in press). The goal of the current study is to open this black box by proposing the importance of group commitment and customer focus as key mediating factors for service success.
Interest in strategic human resource management (SHRM) has heightened as a result of a number of studies that found a relationship between HR systems variously labeled “high performance,” “commitment,” or “involvement” models and firm financial performance (e.g. Arthur, 2011; Huselid, 1995; MacDuffie, 1995; Ichniowski et al, 2012). High performance HR systems are characterized by rigorous selection, investment in training, work designed so that employees have opportunities for participation and decision making, and rewards structures designed to recognize high performers and promote from within. The underlying rationale of this stream research is that these are the “best practices” that impact firm performance by enhancing the skill, motivation, and empowerment of the workforce (Delery, 1998; Delery, Gupta, & Shaw, 1998; Huselid & Becker, 2016). In the last decade a number of studies have documented a positive relationship between a firm’s use of these sets of HR practices and firm level performance outcomes (e.g. Arthur, 2011; Huselid, 1995; MacDuffie, 1995; Ichniowski et al, 2012). In the following section we discuss why customer satisfaction is also a likely important outcome of such management practices.

Prior empirical evidence of a relationship between HR practices and firm performance is based almost entirely on correlational studies in manufacturing firms (e.g. Arthur, 1992; MacDuffie, 1995; Ichniowski et al, 2012; Snell & Dean, 1992; Youndt, Snell, Dean, & Lepak, 2016). Most of this research has been at the corporate level of analysis, primarily because of the easier access to financial performance data (Rogers & Wright, 1998). A few studies have looked at plant level outcomes and also found a positive relationship with “high involvement work practices” and business unit level outcomes (Youndt et al., 2016). These studies have a measurement advantage over corporate level studies because they are able to measure HR practices most specifically and accurately (Delery, 1998). However, more attention to service firms and customer satisfaction, a key performance outcome, is warranted because services are a rapidly expanding part of the new economy employing growing numbers of employees. Customer reports of service quality are not only an important outcome to assess because of the growing service economy, but also because they represent a measure of performance that is largely under employee control. Because of their proximity to customers, employees in service firms are better able to influence customer satisfaction than
other firm level outcomes such as financial performance measures that can be largely influenced by factors beyond the power of most employees.

Although business unit level studies have advantages of more accurate measures of HR practices and more proximal outcomes than firm level studies, there have also been some methodological limitations at this level of analysis in prior research. Prior work has most often assessed HR practices through asking an HR manager to report on the extent to which HR practices are used within their establishment. Business units have multiple jobs, which are likely to have variation in their HR practices. HR managers may have trouble reporting on the HR practices of multiple jobs at multiple locations (Wright & Gardner, in press). The use of multiple employee respondents also has higher reliability than the use of single informants (Wright et al, 2012). For these reasons, we believe that job incumbents themselves best report their HR practices. Customer satisfaction with the service quality can be assessed from the quality of service provided by these core jobs that have customer contact.

Although little research on service quality outcomes of management practices has been done, a key study by Schneider and Bowen (2014) found significant correlations between HR practices and customer reports of service quality in a sample of banks. Prior research studies results offer several key implications for owners/managers of organizations interested in improving business performance. Effective recruitment and selection practices lead to positive increase in organizational performance. The effective use of recruitment and selection practices in firms has shown to be related to performance which represents labour productivity, product quality, organizational innovations, and customer satisfaction.

2.3 Reward Management Policy and Organizational Performance

Rewards dictates the pace and direction of performance in any system (Ugwe & Cocker, 2012) several other researchers have also made remarkable studies on the effect of employee rewards on organizational performance. Kwenin Daisy, (2013) emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. This is because of its ability to create a compelling urge among employees to achieve predefined targets. Jain and Jabeen (2007) contend that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry
goals. All these in turn create high performing units in every organization that determine the overall success and growth of the company, Razwn and Ali (2010). The type of reward honed utilized by an association assumes a vital part in spurring workers to perform which directly affects the general execution of an association. This there implies that shameful reward practices may negatively affect authoritative execution. In light of operant molding and conduct adjustment inquire about, it is ordinarily trusted that if rewards are utilized adequately, they can spur people to perform at more elevated amounts, and the utilization of legitimate prizes finishes in firm execution at the authoritative level.

2.3.1 Motivation

Hitt, Black and Porter, (2009), has defined motivation as a “set of forces that energies, direct and sustain behaviour.” These forces encourage the feeling of commitment that makes somebody want to achieve their desired goals. These forces are either “push” of internal forces or “pull” of external forces; where internal forces come from the internal environment of the person and external pull is the external environment (Hitt, Black and Porter, 2009). This makes it of highest importance for managers to have a clear understanding of both forces when trying to analyses what causes certain behaviour. Moreover, managers’ needs to know that what seems to motivate a single worker may differ from the others.

It is very important to consider other academic contributions such as Lewis (2012), where pay has always been seen to have the ability to motivate workers in behaving in a certain way, and the dominating theory, is that of the reasonable economic person. This has a connection root with guru’s like Taylor (1911), who saw employees as lazy and in order to expand greater energy, they needed money to motivate them.

The researcher La Motta (2015) suggests that the shared wisdom is that managers have to learn and know how to motivate people. He believes that an employee brings his/her own motivation, with a high expectation to be open-minded, more involved, to be responsible and to reach his/her full potential (La Motta, 2015). However, if the manager does not know how to motivate employees, or he focuses on one set of forces, it might cause motivational problems (Hitt, Black and Porter, 2009). For instance, a supervisor or a manager may assume that the low performance of his subordinates is brought about by being lazy, when in fact; it is caused by lack of appropriate incentives that matches his needs.
Therefore, according to Kreitner and Kinicki (1992), it was suggested that motivation represents the processes that causes the arousal, direction and persistence of free will actions that are goal focused. These processes are absolutely necessary in ensuring that there is a relationship between management and employees in existence in order to achieve the goals and objectives of the organization. Having said that, then all the tasks falls under one or more motivational theories that are described in the following paragraph.

Motivation is an important factor in everybody’s life. It has a huge impact on human desired goals as it causes goal-directed behaviour. In the early days, Maslow (2014) suggested that there is a pattern of needs recognition and satisfaction that people follow in a hierarchy of needs; from lowest being physiological needs leading through to the highest satisfying selfactualization need. The needs of an individual serve as driving force in human behaviour which can be understood through the Maslow’s need hierarchy. According to Hitt, Black and Porter (2009) “Maslow’s need hierarchy theory states that people will first attempt to fulfil basic needs, such as physiological and safety needs, before making efforts to satisfy other needs, such as social and esteem needs”. Therefore, in order to motivate employees, managers should know that individuals are unique and they all have different values, and they get fully motivated when their needs are met (Danish, &Usman, 2010); moreover, what may reward one employee may not be a reward to others (Dessler, 2006).

Most organizations see compensation as a method for rousing certain practices in representatives. In particular, rewards are proposed to spur representatives to perform successfully and effectively towards accomplishing authoritative objectives. Malhotra et al. (2007:2095) take note of that regardless of the sort of association one takes a gander at, 'rewards assume a vital part in building and keeping up the responsibility among representatives that guarantees an exclusive requirement of execution and workforce steadiness'. The method of reasoning for the utilization of prizes is to inspire or instigate certain conduct among representatives which are seen as valuable for upgraded execution while restraining other conduct which they see as inconvenient to hierarchical development and execution. This is best accomplished under what Vroom terms as hope models. Martin contends that 'the premise of hope models is that inspiration is a component of the allure of the result of conduct (2015). In other words, an individual is propelled to deliver expected
conduct in the event that he or she is sure that that conduct will prompt certain prizes. The expectancy model is discussed in detail under Vroom’s Expectancy Theory.

### 2.3.2 Employee satisfaction

The ability of managers to obtain employee satisfaction with rewards is a complex process. Indeed, it is a function of several related factors which any manager who intends to achieve it must critically study to be able to positively implement. First, each employee satisfaction with rewards is intrinsically related to what he or she expects from the organization and what is actually received. Feelings of satisfaction or dissatisfaction occur when employees compare their inputs such as education, job skills, and effort to the mixture of intrinsic and extrinsic rewards which they receive from their organizations. Employee satisfaction or dissatisfaction is also influenced by comparisons they make with other people in similar job positions and organizations. It is no secret that employees keep comparing their input/output ratio with colleagues in similar positions and organizations even though such comparisons are not always properly done. In most cases, employees tend to overestimate their input when making such comparisons. The onus therefore lies on managers to adequately and effectively communicate job performance appraisal methods to employees to avoid misperceptions and wrong comparisons.

Finally, many authors have noted that employee satisfaction results from a mixture of rewards other than any one particular reward (Shanks 2010). Evidence from various researches done over the years suggests the importance of both extrinsic and intrinsic rewards. To achieve enhanced employee satisfaction, neither one can be substituted for the other. Employees who are well paid but are made to work in environments which are not conducive or made to do repetitive work will leave for other organizations because of the lack of intrinsic rewards just as employees who work in interesting and enabling work environment will leave because they will be dissatisfied with extrinsic rewards.

Occupation experiences have been an imperative point of convergence for authoritative and modern brain science. In characterizing work fulfillment, the reference is frequently made to Locke's (2006) portrayal of occupation fulfillment as a pleasurable or positive passionate state coming about because of the evaluation of one's activity or employment encounters (Jex, 2012). The examination includes different components identified with the activity, for
example, compensation, working conditions, associates and manager, profession prospects and, obviously, the characteristic parts of the activity itself (Arnold et al, 1998). In this way, basically, work fulfillment is associated with how our own desires for function are in harmoniousness with the genuine results. What's more, since work fulfillment is just a representative's demeanor towards his or occupation, already examined hypotheses with respect to states of mind are material to work fulfillment. Thusly, work fulfillment can be viewed as containing three parts: a full of feeling segment, a psychological segment and a social segment (Jex, 2012). While the emotional segment alludes to an inclination about an occupation, the intellectual part speaks to a faith with respect to a vocation. Frequently these two viewpoints are connected. The social segment is a marker for conduct goals towards an occupation, for example, getting the opportunity to work in time, buckling down, and so on.

The first approach turns its attention to the characteristics of the job and it is called the "information processing model" (Hackman & Oldham, 2013). According to this model employee gather information about the job, the workplace and the organization and cognitively assess these elements in order to determine the level of satisfaction. The second approach suggests that the measurement of the level of job satisfaction is founded on „social information” – information based on past behaviour and what others at work think. It shifts its attention to the effects of the context and the consequences of past behaviour, rather than to individual pre-dispositions and rational decision-making processes (Pennings, 2015). Therefore, job satisfaction is dependent on how others at work evaluate the workplace. This approach is called the social information processing model. The third approach indicates that job satisfaction relies on the characteristics or the dispositions of the employee.

2.3.3 Absenteeism

Unscheduled absences affect almost every type of organization. Hoque and Islam (2013) describe absenteeism as a “subject to be studied, matter to be thought over and a problem to be solved.” Besides the direct costs associated with absenteeism, there are also indirect costs such as hiring of casual staff, reduced productivity, turnover and potential loss in revenue (Cole, 2012; Mason & Griffin, 2013). Robinson (2012) noted that the indirect costs of absenteeism can be up to three times higher than the direct costs of absenteeism. It therefore
becomes vital that organizations recognize the extent of this problem due to the high costs associated with continued unscheduled absences.

According to Aamodt (2014), a 2012 survey conducted by the Commerce Clearing House (CCH) revealed that employees in the United States took an average of 6.2 sick days per annum. He further states that this figure is standing at about 7.8 days for the United Kingdom. Aamodt (2014) noted that these figures are alarmingly high, hence the increased focus on absenteeism in organizations. In South Africa, absenteeism in the workplace is receiving increasing attention and organizations are taking a closer look at the costs of absenteeism as well as issues such as employee loyalty and commitment (Plessis, Visser & Fourie, 2013). It is estimated that about 4.5% of the South African workforce are absent on any given day, and in certain companies this figure is as high as 18% (Vaida, 2015). Furthermore, a study conducted by Occupational Care South Africa has revealed that South African companies are losing millions of rands a year due to absenteeism in the workplace. Robbins et al. (2013) indicate that South African managers consider absenteeism their most serious discipline problem. If not managed and controlled, absenteeism can “spread like an epidemic, creating a range of disciplinary problems for organizations” (Hoque & Islam, 2013).

The main problem is perhaps that many employees believe sick leave is a “benefit” like annual leave and they are entitled to take it, irrespective of the condition of their health. This has implications for organizations because it is difficult for an organization to operate smoothly if employees fail to report for work. According to Robbins et al. (2013), having sick leave programmes in organizations, i.e. providing paid sick leave, actually enforces the wrong behaviour, which is absence from work. The authors argue that organizations should rather reward employees for attendance, not for being absent. Moreover, the importance of good attendance and its benefits should be clearly communicated to all employees (Bydawell, 2010). It is however highly unlikely for organizations to completely eradicate absenteeism. Ericson (2001) maintains that organizations should look at ways in which they can accommodate the needs of their diverse workforce in order to attract and retain the best employees. The author states that “if people were only absent from their jobs when they needed to be- such as for family commitments or when they are truly ill- absenteeism would
not be the major problem that it is today” (Ericson, 2011, p. 91). However, the issue of absenteeism is a multifaceted one and a phenomenon which requires a multipronged approach. It becomes evident that absenteeism remains a daunting task for many organizations and should be managed, starting with an understanding of the causes.

2.4 Employee Relations policy and Organizational Performance

Many organizations feel that their people can provide a competitive advantage, and therefore their people contribute to the organization’s performance. Employees play a pivotal role in organizational success. Employee performance has been shown to have a significant positive effect on organizational performance (Hayward, 2005). Employees who have open lines of communication with managers are more likely to build effective work relationships with those managers, to increase their organizational identification and enhance their performance that contributes to organizational productivity (Tsai, Chuang & Hsieh, 2009). The essence of employee relations is the process of building strong relationships between managers and employees based on fairness, trust, and mutual respect. It takes authoritative assets to make this kind of workplace. A decent worker relations atmosphere prompts spurred, steadfast, and high-performing representatives who are centered around accomplishing the most ideal outcomes for their organization (Daniel, 2014).

Trying to make a positive worker relations condition must be a piece of each supervisor's execution targets. Supervisors and managers are the key link between employees and their company. If these relationships are strong, then employees are more likely to be satisfied with their jobs and more productive as a result (Daniel, 2014). Organization Relationship Theory (EOR) has drawn upon social exchange (Blau, 1964) and the inducements contributions model (March & Simon, 1958) to provide the theoretical foundation to understanding the employee and employer perspectives to the exchange. Although different views of social exchange exist, there is consensus amongst theorists that social exchange involves a series of interactions that generate obligations to reciprocate (Cropanzano & Mitchell, 2005).

2.4.1 Organization Commitment

Somersl and Birnbaum (2008) studied the relationship of organizational commitment to employee performance effectiveness and reported a positive relationship. Previous studies
conducted in different settings have proved a positive association and relationship between organization commitment and employee performance Suliman and Lles (2012). Meyer et al (1989) concluded that organizational commitment is positively associated with employee performance. Luchak and Gellatly (2007) found that affective commitment was positively associated with work efforts and performance.

Suliman and Lles (2012) also found that all three dimensions of organizational commitment; effective, normative and continuance were positively correlated with employee performance. They further found a positive relationship between continuance commitment and employee performance. Chen, Iverthrone and Hung (2006) studied the relationship of the organizational commitment, communication and employee performance. Their research findings indicated that there are positive relationships between organizational communication, organizational commitment and employee performance. This finding suggested that companies strengthen their communication channels and processes in order to strength their accounting professionals’ organizational commitment and employee performance.

Muhammad, Ziauddin, Farooq, and Ramay (2010) who took a sample of 153 public and private sector employees of oil and gas sector in Pakistan found that affective commitment is positively correlated with employees’ performance. Furthermore, workers who are committed to their organization are happy to be members of it, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization. The need to attract, motivate, develop and retain employees is critical to any organization’s prosperity today. Creating an environment in which employees feel truly committed connected to the organization’s goals and objectives, and satisfied with their jobs has never been more crucial. The traditional costs involved in hiring and developing a new worker have always pointed to the importance of retaining employees (Parker & Wright, 2001). Analyzing the relationship between job satisfaction and organizational commitment is particularly crucial nowadays, as people often do not work at the same organization or job throughout their lifetime (Cote & Heslin., 2013).

Organizational commitment refers to the degree to which a person identifies with, and feels part of an organization or company (Schenmehorn, Hunt, & Osborn, 2012). An individual who has high organizational commitment is considered very loyal, which brings about a
number of organizational benefits such as higher productivity, better work quality, higher employee morale, reduced turn over and more employee willingness to exert extra effort (Willemse, 2012).

Allen and Meyer (1990) developed a measure of organizational commitment with three major components: i) Affective component of organizational commitment refers to employees’ emotional attachment, identification and involvement in the organization; ii) the Continuance component refers to commitment based on the costs that employees associate with leaving the organization; and iii) Normative commitment reflects an employee’s feeling of obligation to remain with the organization (Sarmad, 2007).

Lee and Olshfski, (2012) in trying to understand the relationship between job satisfaction and organizational commitment, studied the behavior of organizational commitment of the firefighters in New York and their study led to believe that organizational commitment offers considerable promise in describing the positive behaviors. Furthermore, Individuals take jobs, they identify with the role attached to the job, they become committed to doing the job, and they behave according to the expectations attached to that job. When employees are sure that they will grow and learn with their current employers, their level of commitment to stay with that particular organization is higher (Opkara, 2014). In order to make employees satisfied and committed to their jobs, there is a need for strong and effective motivational strategies at various levels of the organization. Ayeni and Phopoola, (2007) found a strong relationship between job satisfaction and organizational commitment. According to them Job satisfaction is mostly determine how well the organization meets employee’s expectations.

The relationship between job satisfaction and organizational commitment is very crucial now-a-days because people now often do not prefer to stay with the same organization for long. It has become hard for the organizations to exercise influence on the employees for retaining them. Where employees exhibit different levels of job satisfaction and if this satisfaction leads to the organization commitment, obviously organizations would want to hire employees with the higher levels of organizational commitment. Employers normally expect that people with higher levels of job satisfaction will have higher levels of organizational commitment. The reason why satisfaction will lead to the commitment is that a higher level of job satisfaction may lead to good work life and reduction in stress (Cote &
Heslin, 2013). Similarly, if employees are highly satisfied with their work, coworkers, pay, and supervision and derive high level of overall job satisfaction with their jobs they are more likely to be committed to the organization than if they are not satisfied. The focus on these two key concepts cannot be overstated because job satisfaction and commitment are primary determinants of employee turnover, performance, and productivity (Opkara, 2014). Committed and satisfied employees are normally high performers that contribute towards organizational productivity (Samad, 2007).

### 2.4.2 Employee Retention

Retention researchers have defined retention management as a strategic, coherent process that starts with an examination of the reasons why employees join an organisation (Davies, 2001). Number of different factors can affect employee turnover. These include the internal structure of the organization, recruitment policies and strategies, career progression opportunities, rewards and benefits, and training and development (Fitznz, 1990). In order to improve employer relations, reduce turnover, and improve commitment levels, HRM policies need to take all of these factors into account and manage them congruently (MacDuffie, 2015). When an employee makes the decision to leave an organization, the reason can rarely be attributed to one single factor such as a failure to be awarded a promotion or pay increase. More commonly, one event may act as a catalyst for the employee to leave, but the underlying reasons will be attributable to multiple events the employee’s time at the firm (Davies, 2001). Truly understanding how different factors interact with one another, and the impact that they have on an individual’s commitment to an organization, can be very challenging.

### 2.5 Training & Development and Organizational Performance

The training and development of the employees has direct contributions in the high achievements of organization which shows better performance. Training increased the organizational performance which predicted by many researches (Peteraf, 2013; Niazi, 2011). The resource based view hypothesis bolstered that any preparation intended for the association depends on the formation of qualities and improving the capacities for proceeded with association execution (Barney, 1991). A exhaustive preparing and improvement program helps in pondering on the learning, aptitudes and dispositions important to accomplish
hierarchical objectives and furthermore to make upper hand (Peteraf 2013). Training and advancement are essential vital devices for successful individual and association execution, accordingly, association are going through cash on it with certainty that it will procure them an upper hand in the realm of business (Lynton, 2000).

The level of competency, aptitudes and capacity of the workforces of an association impacts its capacity to safeguard it’s got positions increase upper hand. In the meantime, representative's fitness, abilities and master liveliness is specifically relative to the level at which association can rival others. Associations are going up against with expanded rivalry coming about because of changes in innovation, monetary conditions, globalization and so on. (Evans, 2012). The asset based view (RBV) of the firm upheld that an association can increase upper hand by drawing in and holding skilled HR and also recognize applicable preparing for them that will continue enhancing their ability for ideal execution.

For any company to operate successfully, it must have materials, money, supplies, equipment, ideas regarding the good or services to offer the individuals who may utilize it outputs and lastly people, which is the human resource, to run the company. The proper management of individuals at work is Human Resource Management, and it has developed to be a main activity in many organizations and is the concentration for a wide-ranging deliberation concerning the nature of the contemporary business relationships. One of the major components in the coordination and management of work in an organization is the management of human resource. (Shen, 2004) referred to Human Resource Management as including all of management activities and decision, that influence the relationship between an organization and its employees which are the HR.

Generally, management settles on essential choices day after day that influence this relationship. (Shen, 2004). (McDowall et al., 2010) argues that the acknowledgment of the importance of training as of late has been intensely influenced by the intensification of rivalry and the relative achievement of organizations, as investment in employees’ development is extensively emphasized. They further argued that innovative improvements and hierarchical change have progressively driven a few businesses to the realization that achievements depend on the skills and abilities of their workers, and this implies significant and persistent investment in training and development. (Beardwell & Holden, 1993), viewed that Human Resource Management concept for example, responsibility to the organization
and the growth in the quality development have driven senior management groups to understand the increased importance of training, employee development and long-term education. A concept of this nature requires not only careful planning, but a more emphasis on employee development. To Krietner (1995), no matter how carefully employees are screened, typically, a gap remains between what the employee does know and how they should know it. An organization therefore, desiring to gain the competitive edge in its departments, will need extensive labor and effective training of its human resource.

### 2.5.1 Relationship Between Training and Turnover

Based on the human capital theory, the expectation was that training would have a positive influence on turnover intentions because employees get more employable in other firms. But the effects of training hours on turnover intentions turned out to be negative. More studies, as for example a recent study of Benson (2006), found this conclusion also. Some explanations could be given for the negative outcomes. First of all, the outcomes that derive from the regression analyses were not very convincing because the values were close to zero. Second, the measurement of a training variable is difficult when looking to the many options that are available to measure this independent variable. Training can be measured by quantity or quality but can also be divided into types of training (specific, general, informal, formal), timing, funding and purpose. In this study is chosen for training offered by the company and the measurement based on training hours. Possibly, there is an exchange relation between the employee and the firm, but, as also concluded in the study of Benson (2006), the direction is negative instead of positive.

Control variables played an important role in the prediction of turnover intentions. Probably, people get intentions to leave the organization based on more than one reason. In this study is found that job satisfaction is an important element for employees to stay or leave. Satisfied employees are less likely to leave a firm, also confirmed by Egan et al. (2014). Differences are also found based on employees’ characteristics. High educated people have more intentions to quit after receiving more training hours. This can be explained by the goals that employees expect to reach. It is more difficult to fulfill the expectations, needs and desires of high educated workers than to fulfill the expectations for lower educated workers (Steers, 1977). This might explain the significant effect of the control variable education level,
because high educated workers have a higher employability, especially when they received many skills and knowledge by participating in training programs.

The effects between organizational commitment and turnover intentions were not significant, but do have a negative value. Education level has a significant influence on turnover intentions, also found in the study of Freund (2005), who stated that education is negatively related with organizational commitment and therefore with turnover intentions. This can be explained by the firm’s responds on desires and needs of employees. High educated employees have desires and needs that are more difficult to fulfill than those of lower educated employees, as mentioned earlier. When firms cannot respond on these needs and desires, there is less exchange and employees get less attached, which can subsequently lead to more intentions to leave the firm. Steers (1977) agrees with this assumption and thinks that ‘more highly educated people would be less committed to the organization and perhaps more committed to a profession or trade’. Also in this relation, job satisfaction leads to less turnover intentions.

2.5.2 Relationship between Training and Organizational Commitment

The expectation was that training leads to higher commitment, except for continuance commitment. The effects of training on organizational commitment were not significant. The prediction of organizational commitment is also based on other variables next to the training variables because the model became significant after including control variables. The variables that affect organizational commitment are probably more diverse, which is also stated by Steers (1977). Job satisfaction and job tenure have a significant effect on affective commitment. This is a logical finding when looking to the meaning of affective commitment, because affective commitment contains a desire to remain as a result of work experience. People working longer for the company score higher on affective commitment, because of their gained work experience. Thereby, satisfied people score higher on affective commitment. For continuance commitment, age and function scale are significant control variables. This could have a relationship with the few alternatives that remain after quitting. Older workers and workers in a lower function scale are more afraid of the uncertain consequences after leaving the company and thus score higher on continuance commitment. For normative commitment, only function scale is a significant control variable. Workers at
lower functions are less normative committed to the firm, so they have not the feeling to reciprocate.

Training Purpose, Process and outcomes Cole (2002), mentioned in his book Personnel Human Resource Management, that training is more of a learning activity to acquire better skills and knowledge needed to perform a task. The idea of training is the need for a greater productivity and safety in the operation of specific equipment or the need for an effective sales force, to mention a few. To come up with the desired knowledge, skills and abilities from employees to perform well at their job side, requires proper training programs that may likewise have an impact on employee motivation and commitment. Employees can either build or break their company's reputation as well as profitability. Moreover, they oversee most of the activities which can influence customer fulfillment, the nature of the product and event.

According to G.P. Nunvi (2006), training programs are directed towards maintaining and improving current job performance while development seeks to improve skills for future jobs. Considering the progress in the technology, certain jobs become redundant with the replacement of machines in present days. Further education and competence becomes necessary for those in current positions and those wishing to be promoted in the future. Expressing an understanding of training, Armstrong (1996), emphasized that training should be developed and practiced within the organization by appreciating learning of theories and approaches, if training is to be well understood.

2.6 Chapter Summary

This chapter reviewed the existing literature concerning the recruitment and section, reward management, employee relations and training and development and their relationship with organization performance. The next chapter discusses the methodology to be used when carrying out data collection.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

The chapter presents a Research Methodology on how the study was carried out in order to answer the research objectives highlighted in chapter one of this study. It presents the research design, identifies the population and the sampling design, data collection method, research procedures and data analysis method.

3.2 Research Design

According to Kumar (2008) research design is basically techniques used in conducting research. In addition, the suitability of a research method depends on many factors including but not limited to the research problem and the depth of knowledge required about the phenomena in question. The study used both exploratory and descriptive design approach. Exploratory approach is useful when one wish to clarify understanding of an issue, problem or phenomenon. It seems as most appropriate to help the researcher get the answers on the “what” or “how” questions. It is flexible and adaptable to change. The descriptive design approach enables the researcher to gain an accurate profile of events, persons or situations (Asaunders, 2016). The researcher chooses the descriptive design since descriptive studies can give specific or group characteristics for a sampled population (Kothari, 2006). It determines the frequency with which something occurs or its association or correlation with something else. It also minimizes bias and maximizes reliability of the evidence collected if designed within precise objectives and on relevant data.

3.3 Population and Sampling Design

3.3.1 Population

A population is an entire group of individuals, events or objects having common observable characteristics (Muro, Magutu & Getembe, 2013). The case of the study was Frigoken limited. In total there were 2500 employees who formed the sampling frame and population of the study.
3.3.2 Sampling Design

The sampling design refers to the procedures and systems that the researcher was used to come up with a sample size that was representative and adequate for generalization of findings.

3.3.2.1 Sampling Frame

A sampling frame is a list of population units or elements from which to select elements to be sampled (McDaniel & Gates, 2001). This study employed stratified design. The adoption of a stratified sampling was preferred because of its benefits. First, all respondents had the same opportunity to participate; in this case, all the 278 had this opportunity. Secondly, when conducted properly, stratified sampling survey is certainly capable of yielding representative results (Saunders, Lewis & Thornhill, 2016). The final advantage is that stratified sampling survey is easier to administer, because it includes all persons (Cooper & Schindler, 2014).

3.3.2.2 Sampling Technique

In this study, the researcher used stratified random sampling technique order to increase a sample’s statistical efficiency, provide adequate data for analyzing the various subpopulations or strata, and finally to enable different research methods and procedures was used in different strata (Coopers & Schindler, 2014). It is a probability sampling procedure in which the target population is divided into a number of strata, and a sample drawn from each stratum (Sarandakos, 2005). Stratified random sampling help in dividing the whole heterogeneous population into smaller groups or subpopulations, such that the sampling units are homogeneous with respect to the characteristic under study within the subpopulation and heterogeneous with respect to the characteristic under study between/among the subpopulations it makes it possible for the populations to be divided into several mutually exclusive sub populations or strata therefore; inferences on the specific groups of the population can then be made.

3.3.2.3 Sample Size

Denscombe (2014) observed that to generalize the findings of a survey, the sample must not only be carefully selected to be representative of the population. It also needs to include a sufficient number (Denscombe, 2014). Coopers and Schindler (2014) poised that, the sample must be carefully selected to be representative of the population and the researcher also
needs to ensure that the subdivisions entailed in the analysis are accurately catered for. The sample size refers to the total number of individuals or elements that were included in the study. In this study, the researcher intends to give all the respondents in the population an equal chance for inclusion in the study. The sampling frame is 2500. Using Mugenda and Mugenda (2014) provision that a representative sample is one that has at least 10% of the population or at least 30 individuals or elements, this study was utilize the 10% of the population. Ten percent of the population is deemed appropriate as 30% would result into 750 respondents which would was large figure considering the limited time and resources available for this study. A sample can be defined as a smaller group or sub group obtained from the accessible population (Mugenda and Mugenda, 1999). Yamane's equation of 2001 was utilized to decide the example estimate from populace inside every stratum (exchange and administrative). In the inspecting of exchange and administrative, a standard blunder of 95% was considered in this examining computation. On a populace of 2500 give a 95 percent level of certainty and a most extreme changeability \( p = 0.06 \).

\[
n = \frac{N}{1+N \times e^2}
\]

Where \( n \) is the sample size, \( N \) is the population size and \( e \) is the level of precision

\[
n = \frac{2500}{1+2500(0.06x0.06)} = 278 \text{ respondents}
\]

3.4 Data Collection

The researcher used both secondary and primary data. Primary data refers to the data that are original and not yet published that one collects directly from the field. The data was collected through the use of both open ended and closed questionnaires which are considered easy to administer, cost effective in data collection, useful in collecting quantitative data and convenient in data collection (Mugenda & Mugenda, 2014). Interviews defined as conversation between two or more people where questions are asked by interviewer to elicit facts or statements from the interviewee (Seidman, 1998) was also used as source of primary
data. This method gives the researcher the freedom to probe the interviewee to elaborate or to follow a new line of inquiry introduced by what the interviewee is saying. These interviews allowed the researcher to clarify ambiguous answers and when appropriate, seek follow-up information. Questionnaires was developed using certain criteria to meet the purpose of the study. They were designed in such a way that they had various sections that was represent the research objectives and a background information section adequately capturing the aspect of both dependent and independent variables.

Secondary data refers to data that has been collected that can be published or unpublished but are already exists. The researcher used secondary data through documentary review. This gives the analysis of different documents to achieve information related to important themes from various materials in libraries and online sources (Scott, 2006). From this method the researcher was review different documents such as books, internet search, articles, and journals among others related to the effect of Human Resource Management policies on organization performance.

### 3.5 Research Procedures

The researcher applied various research procedures to enhance validity and reliability of data to be collected. First, the researcher conducts a pilot study where the researcher selected 30 employees and administered the questionnaire to them. This was done in order to gauge the respondents ease of understanding, grammatical and other errors in the questionnaire as well as the speed with which data was collected from each respondent. The 30 respondent was not to form part of the final study. The researcher got feedback from the expertise available in the organization who offered guidance on the structure of the questionnaire and data collection. Findings from this test were used to ensure that the data collection instrument was valid.

Researcher also considered ethical issues through: getting authority to collect data from USIU and Frigoken Limited, acquiring informed consent from the respondents for inclusion in the data, and ensuring privacy and confidentiality in data collection to protect the rights of the respondents. To achieve this, the researcher ensured that respondents did not provide personal information as well as restricting access to data collected to essential individuals only. On completion of the data collection, the researcher coded the responses that were
received from the open ended questions before being entered into Statistical Package for Social Sciences (SPSS) program for analysis in order to come up with a quantitative inference to the subject of study. The researcher opted for personal administration of the questionnaire. The researcher personally gave the respondents the questionnaire to complete and collect the same after an agreed period of time.

The researcher carried out a pilot study before the questionnaires were employed in the final and actual data collection process was 30 questionnaires that were directed to the respondents. The importance of piloting was to detect ambiguity, evaluate the type of answers given to determine whether they help the researcher to achieve the laid down objectives (Robson, 2007). Saunders et al (2009) note that pilot studies help the researcher in identifying questions that are make the respondents uncomfortable and uneasy. Such questions can then be removed, paraphrased or replaced in the final survey instrument design. Again, the pilot study was important in identifying ethical issues that may arise during the actual data collection process. As such, pilot studies are crucial instruments for ensuring the validity and reliability of the research process and findings (Saunders et al., 2009). Pilot studies allowed the researcher to study the research setting and seek advice on how the data collection instrument could be improved upon (Robson, 2007). The researcher administered a pretest sample to the respondents in the pilot study.

3.6 Data Analysis Methods

The data analysis involves establishing the relationship between the variables of human resource management policies and those of organization performance. The researcher examines information through spellbinding measurements and inferential insights (connection and relapse investigation). The investigation was consolidating the utilization Statistical Package for Social Sciences (SPSS). Through descriptive statistics, the researcher presented the results in the form of charts, graphs, percentages and frequency tables in order to determine whether the various observations that were made represented the entire population of study, or are in any way biased towards the various sections of the population.

A preliminary inferential analysis was employ correlations of study variables to explore the existing relationships between the variables of the study. First the independent variables were correlated to employee engagement, to determine the direction of the relationships and
significance for each independent variable on the dependent variable. Linear regressions were used to assess the relationship between the variables on employee engagement as the dependent variable was conducted. As indicated by Cooper and Schindler (2014) factor examination is characterized as a procedure used to research whether factors are straightly identified with fewer imperceptible elements. The inconspicuous idea of these components keeps the utilization of relapse and different types of examination. In this way, if a developer is estimated utilizing a few things, factor examination can be utilized to lessen the things into few however emphatically related things. Kaiser-Meyer-Olkin (KMO) measure of inspecting sufficiency and Bartlett's sphericity tests was utilized to learn the fittingness of factor examination. KMO values greater than or equal to 0.5 qualifies use of factor analysis. Bartlett’s test was used to test the homoscedasticity or homogeneity of variances (Anastasiadou, 2011).

Correlation is another way of assessing the relationship between variables that measures the extent of correspondence between the ordering of two random variables (Greene, 2012). The correlation coefficient is a summary measure that describes the extent of the statistical relationship between two interval or ratio level variables. This study tested for correlation using the Pearson correlation coefficient. The Pearson correlation coefficient (r) is scaled so that it is always between -1 and +1. When r is close to 0 it means that there is little relationship between the variables and the farther away from 0 r is, in either the positive or negative direction, the greater the relationship between the two variables. This study conducted a correlation analysis between employee engagement and idealized influence, inspirational motivation, intellectual stimulation, individualized consideration and motivation. chi-square test (Snedecor and Cochran, 1983) was used to test if the variance of a population is equal to a specified value. This test can be either a two-sided test or a onesided test. The chi-square measures how much observed results differ from expected results (Cooper and Schindler, 2014). The Analysis of Variance test (ANOVA) provides a statistical test to determine if the means of several groups are all equal and, as a result, generalizes test to more than two groups. The study used ANOVA to test the mean difference between the dependent and independent variables. Linear regression was preferred because it uses data very efficiently and good results are normally obtained with relatively small data sets.
The general form of the regression model to be used is as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \varepsilon \]

3.7 Chapter Summary

This chapter has displayed the examination outline and methodologies for the investigation. It has plainly delineated the exploration configuration to be received in the investigation, the populace and inspecting plan, information gathering technique, the examination methodology and the two information investigation and introduction strategies. The following section gives an inside and out examination on how information investigation was done and the introduction of the investigation discoveries.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter portrays the analyzed results and findings of the study on the effect of Human Resource Management policies (recruitment and selection, reward policy, employee relations policy and training and development policy) on organization performance. The first part is about the response rate. The next section that follows covers background information, which points out the demographic introduction of the respondents. The third part deals with recruitment and selection policy contributes to the organizational performance in Frigoken Limited. The fourth part is about reward policy contributes to organizational performance in Frigoken Limited. The fifth part is on the employee relations policy contributes to the organizational performance in Frigoken Limited, while the final objective was on Training and development policy contributes to organizational performance in Frigoken Limited. Final section is the summary of the whole chapter.

4.1.1 Response Rate
This study had a population size of 278. The study in Figure 4.1 displays the response rate of the study. The study clearly indicates that 88.5% of the respondents took part in the study while 11.5 % out of the 100% did not participate in the study. According to Mugenda and Mugenda (2009) a respond above 50 percent is good enough for the study. We can therefore conclude that; the response rate was good to be used.
Figure 4.1: Response Rate

4.2 Background Information

4.2.1 Gender

Figure 4.2 is used to display the gender. It is indicated that 54% female, while 46% were the male thus the research conclude that the company is dominated by female workers due to the culture perceived.
4.2.2 Age

Figure 4.3 shows the age brackets. It is indicated that 18-25 were 26.4%, 26-34 were 30.1%, 35-54 were 40.2% and final 55-60 were 3.3% thus the researcher concluded that the majority are people aged from 35-54. These findings as shown in Figure 4.3 suggest that most employees in the companies comprises individuals who are below 35 years’ old.

![Figure 4.3: Age](image)

4.2.3 Marital Status

Figure 4.4 is used to display the Marital Status. It is indicated that 53% were married while 44% are single the rest were under 1%. These findings as shown in Figure 4.4 suggest that the employees at Frigoken comprise individuals who are married.

![Figure 4.4: Marital Status](image)
4.2.4 Level of Education

Figure 4.4: Marital Status reveals the qualification of the employees. Majority of the employees had college qualification followed by the university; the remaining had less than 1% as shown above. The implication of these findings is that the majority of managers were knowledgeable based on their academic qualifications and they could be relied upon to provide objective responses.

![Figure 4.5: Level of Education](image)

4.2.5. Department

The table 4.1 shows the department in the organization. The study reveals that majority work in Farming Division with 41.1%, 31.1% in production, Engineering were 4.9% while the rest can be depicting from the table.
Table 4.1: Department what is your Department at Frigoken

<table>
<thead>
<tr>
<th>Department</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering</td>
<td>12</td>
<td>4.9</td>
<td>4.9</td>
<td>4.9</td>
</tr>
<tr>
<td>Production</td>
<td>62</td>
<td>31.1</td>
<td>31.1</td>
<td>136.0</td>
</tr>
<tr>
<td>Quality Control</td>
<td>6</td>
<td>2.4</td>
<td>2.4</td>
<td>28.5</td>
</tr>
<tr>
<td>Store</td>
<td>20</td>
<td>8.1</td>
<td>8.1</td>
<td>36.6</td>
</tr>
<tr>
<td>Human Resource</td>
<td>2</td>
<td>.8</td>
<td>.8</td>
<td>37.4</td>
</tr>
<tr>
<td>Finance</td>
<td>53</td>
<td>21.5</td>
<td>11.5</td>
<td>58.9</td>
</tr>
<tr>
<td>Farming Division</td>
<td>101</td>
<td>41.1</td>
<td>41.1</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>246</strong></td>
<td><strong>100.0</strong></td>
<td><strong>100.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

4.3 Descriptive Analysis of Study Variables

4.3.1 Recruitment & Selection policy and Organizational Performance

A test for descriptive statistics was conducted using statistical package for social sciences. The descriptive results for the recruitment & selection policy were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 246. This was determined by the number of valid complete questionnaires in each case.

The result from table 4.2 indicate that Frigoken Ltd has formulated an active recruitment and selection policy 3.74, employees are fully satisfied with the recruitment and selection practices in the institution with a mean of 3.72, Frigoken Ltd links its recruitment and selection policy to the overall Frigoken Ltd strategy which improve performance with a mean of 3.60, Recruitment produce qualified candidates with a mean 3.52, Organizational performance is affected mainly by recruitment with a mean of 3.40 and Speed, quality and uniformity of Recruitment & Selection improve performance with a mean of 3.22.
**Table 4.2: Recruitment & Selection policy and Organizational Performance**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees are fully satisfied with the recruitment and selection practices in your institution</td>
<td>246</td>
<td>3.72</td>
<td>.920</td>
</tr>
<tr>
<td>Speed, quality and uniformity of Recruitment &amp; Selection improve performance.</td>
<td>246</td>
<td>3.22</td>
<td>.999</td>
</tr>
<tr>
<td>Frigoken Ltd has formulated an active recruitment and selection policy.</td>
<td>246</td>
<td>3.74</td>
<td>1.245</td>
</tr>
<tr>
<td>Frigoken Ltd links its recruitment and selection policy to the overall Frigoken Ltd strategy which improve performance</td>
<td>246</td>
<td>3.60</td>
<td>1.247</td>
</tr>
<tr>
<td>Recruitment produce qualified candidates</td>
<td>246</td>
<td>3.52</td>
<td>1.387</td>
</tr>
<tr>
<td>Organizational performance is affected mainly by recruitment</td>
<td>246</td>
<td>3.40</td>
<td>1.247</td>
</tr>
</tbody>
</table>

**4.3.2 Reward Management Policy and Organizational Performance**

The second objective of the study was to assess reward management policy and organizational performance. The study sought information from Frigoken Ltd adheres to the recruitment and selection policy all the time it hires employees, the existing reward policy has enable the organization to remunerate employees fairly, a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Employees are rewarded on the basis of work experience and particular contributions towards the university.

When Employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance, A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of compensation and benefits.
intrinsic rewards to increase employee commitment and retention is achievable in all organizations and Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees. The study adopted mean and standard deviation (S.D) as statistical tools that were used to rank the significance of the variables. The total number of respondents analyzed in each measure was 246.

**Table 4.3: Descriptive on Reward Management Policy and Organizational Performance**

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean Statis</th>
<th>Std. Deviation Statis</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frigoken Ltd has an active reward policy</td>
<td>246</td>
<td>3.17</td>
<td>.080</td>
<td>1.258</td>
</tr>
<tr>
<td>The existing reward policy has enabled the organization to remunerate employees fairly</td>
<td>246</td>
<td>3.39</td>
<td>.061</td>
<td>.957</td>
</tr>
<tr>
<td>A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization</td>
<td>246</td>
<td>4.13</td>
<td>.089</td>
<td>1.397</td>
</tr>
<tr>
<td>Employees are rewarded on the basis of work experience and particular contributions towards the organization</td>
<td>246</td>
<td>2.96</td>
<td>.085</td>
<td>1.335</td>
</tr>
<tr>
<td>When employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance</td>
<td>246</td>
<td>3.98</td>
<td>.083</td>
<td>1.298</td>
</tr>
<tr>
<td>A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization</td>
<td>246</td>
<td>3.88</td>
<td>.086</td>
<td>1.349</td>
</tr>
<tr>
<td>Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of compensation and benefits</td>
<td>246</td>
<td>3.60</td>
<td>.071</td>
<td>1.108</td>
</tr>
<tr>
<td>Using rewards to increase employee commitment and retention is achievable in all organizations</td>
<td>246</td>
<td>3.42</td>
<td>.086</td>
<td>1.355</td>
</tr>
<tr>
<td>Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees</td>
<td>246</td>
<td>3.11</td>
<td>.058</td>
<td>.913</td>
</tr>
</tbody>
</table>
The result from table 4.3 indicate that a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization with a mean of 4.13. When employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance with a mean of 3.98. A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization with a mean of 3.88. Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of compensation and benefits with a mean of 3.60. Using rewards to increase employee commitment and retention is achievable in all organizations with a mean of 3.46. The existing reward policy has enabled the organization to remunerate employees fairly. Frigoken Ltd has an active reward policy with a mean of 3.17. Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees with a mean of 3.11 and Employees are rewarded on the basis of work experience and particular contributions towards the organization with a mean of 3.11.

4.3.3 Employee Relations policy and Organizational Performance

The objective of the study was to examine Employee Relations policy and Organizational Performance. The study sought information from, Unions have both positive and negative effects on performance, Unions improve worker’s morale and motivation and hence the organization performance, Unions force firms into inefficient personnel hiring and firing practices, Unions can reduce staff turnover which can be a benefit to the organization in terms of performance and Employee relations strategies have a significant effect on the organization performance. Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable of focus strategy were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 246.
Table 4.4: Descriptive of Employee Relations policy and Organizational Performance

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unions have both positive and negative effects on performance</td>
<td>246</td>
<td>3.24</td>
<td>0.084</td>
</tr>
<tr>
<td>Unions improve workers morale and motivation and hence the organization performance</td>
<td>246</td>
<td>3.84</td>
<td>0.078</td>
</tr>
<tr>
<td>Unions force firms into inefficient personnel hiring and firing practices</td>
<td>246</td>
<td>3.12</td>
<td>0.099</td>
</tr>
<tr>
<td>Unions can reduce staff turnover which can be a benefit to the organization in terms of performance</td>
<td>246</td>
<td>3.59</td>
<td>0.068</td>
</tr>
<tr>
<td>Employee relations strategies have a significant effect on the organization performance</td>
<td>246</td>
<td>3.72</td>
<td>0.082</td>
</tr>
</tbody>
</table>

The result from table 4.4 indicate that unions improve worker’s morale and motivation and hence the organization performance with a mean of 3.84. Employee relations strategies have a significant effect on the organization performance with a mean of 3.72. Unions can reduce staff turnover which can be a benefit to the organization in terms of performance with a mean of 3.59. Unions have both positive and negative effects on performance with a mean of 3.24 and Unions force firms into inefficient personnel hiring and firing practices with a mean of 3.12.
4.4 Reliability
Construct reliability was assessed by computing the composite reliability and the Cronbach alpha of the constructs. Composite reliability measures were evaluated by using SmartPLS. The Cronbach alphas were all above the 0.6 threshold as specified for PLS analysis (Hair et al., 2010) indicating good reliability and composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability. All constructs were viewed to have acceptable reliability levels because the composite reliability scores for all constructs were above the 0.7 threshold. Details of construct reliability are presented in Table 4.5.

Table 4.5: Reliability of Constructs

<table>
<thead>
<tr>
<th>Number</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment And Selection Policy</td>
<td>6</td>
<td>0.956</td>
</tr>
<tr>
<td>Reward Policy</td>
<td>9</td>
<td>0.916</td>
</tr>
<tr>
<td>Employee Relations Policy</td>
<td>5</td>
<td>0.940</td>
</tr>
<tr>
<td>Training and Development Policy</td>
<td>9</td>
<td>0.916</td>
</tr>
<tr>
<td>Organization Performance</td>
<td>9</td>
<td>0.943</td>
</tr>
</tbody>
</table>

4.4.1 Convergent Validity
Convergent validity refers to the degree to which two or more items that measure a construct in theory converge or share high proportion of variance in reality. It is measured by three measures; factor loadings, composite reliability (CR) and average variance extracted (AVE). Convergent validity is achieved if composite reliability values for the construct are least 0.7 and the average variance extracted (AVE) are at least 0.5 (Hair et al., 2010). Also all factor loadings should be statistically significant and should be above 0.5, as indicated in table 4.6 below.
Table 4:6: Convergent Validity

<table>
<thead>
<tr>
<th>Variables</th>
<th>Number of items</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment And Selection Policy</td>
<td>6</td>
<td>0.513</td>
</tr>
<tr>
<td>Reward Policy</td>
<td>9</td>
<td>0.613</td>
</tr>
<tr>
<td>Employee Relations Policy</td>
<td>5</td>
<td>0.693</td>
</tr>
<tr>
<td>Training and Development Policy</td>
<td>9</td>
<td>0.614</td>
</tr>
<tr>
<td>Organization Performance</td>
<td>9</td>
<td>0.637</td>
</tr>
</tbody>
</table>

4.4.2 Discriminant Validity

Discriminant Validity is the extent to which items measuring one construct differentiate from items measuring other constructs. There are two criteria to assess the discriminant Validity. The first criterion is that the inter-construct correlation should not be higher than 0.9. The second criterion is the square root of the Average Variance Extracted (AVE) of the construct should be larger than its correlation with the other constructs. As in correlation matrix illustrated in Table 4.7 the diagonal elements are the square root of the average variance extracted of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns. This situation is apparently the case in the correlation matrix and thus the discriminant validity is confirmed.

Table 4:7: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Recruitment And Selection Policy</th>
<th>Reward Policy</th>
<th>Employee Relations Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment And Selection Policy</td>
<td></td>
<td>0.783</td>
<td></td>
</tr>
<tr>
<td>Reward Policy</td>
<td>0.529</td>
<td>0.833</td>
<td></td>
</tr>
</tbody>
</table>
4.4.3 Assessment of normality

The normality of data distribution was assessed by examining its skewness and kurtosis. The results in Table 4.8 show that the variables are normally distributed with skewness and kurtosis values ranging between -2.0 and +2.0. This implies that the study items are normally distributed and hence further tests can be carried out on the data.

<table>
<thead>
<tr>
<th>Variable</th>
<th>min</th>
<th>max</th>
<th>Variable</th>
<th>c.r.</th>
<th>kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAQ1</td>
<td>3</td>
<td>5</td>
<td></td>
<td>0.046</td>
<td>0.269</td>
<td>-0.609</td>
</tr>
<tr>
<td>SAQ5</td>
<td>3</td>
<td>5</td>
<td></td>
<td>0.021</td>
<td>0.068</td>
<td>-0.151</td>
</tr>
<tr>
<td>SBQ1</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.498</td>
<td>-2.909</td>
<td>0.545</td>
</tr>
<tr>
<td>SBQ3</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.854</td>
<td>-4.991</td>
<td>2.041</td>
</tr>
<tr>
<td>SBQ5</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.236</td>
<td>-1.38</td>
<td>-0.409</td>
</tr>
<tr>
<td>SBQ6</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.268</td>
<td>-1.566</td>
<td>-0.376</td>
</tr>
<tr>
<td>SCQ1</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.549</td>
<td>-3.209</td>
<td>-0.063</td>
</tr>
<tr>
<td>SCQ2</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.384</td>
<td>-2.243</td>
<td>-0.324</td>
</tr>
<tr>
<td>SCQ5</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.136</td>
<td>-0.793</td>
<td>-0.401</td>
</tr>
<tr>
<td>SCQ6</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.846</td>
<td>-4.946</td>
<td>0.228</td>
</tr>
<tr>
<td>SCQ7</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.223</td>
<td>-1.304</td>
<td>-0.365</td>
</tr>
<tr>
<td>SCQ9</td>
<td>2</td>
<td>5</td>
<td></td>
<td>-0.278</td>
<td>-1.623</td>
<td>-0.397</td>
</tr>
<tr>
<td>SDQ3</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-0.881</td>
<td>-5.147</td>
<td>0.828</td>
</tr>
<tr>
<td>SDQ4</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-1.335</td>
<td>-7.804</td>
<td>1.529</td>
</tr>
<tr>
<td>SEQ1</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-1.315</td>
<td>-7.685</td>
<td>1.819</td>
</tr>
<tr>
<td>SEQ2</td>
<td>1</td>
<td>4</td>
<td></td>
<td>-1.205</td>
<td>-7.042</td>
<td>1.311</td>
</tr>
<tr>
<td>SEQ3</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-0.113</td>
<td>-0.658</td>
<td>-0.691</td>
</tr>
<tr>
<td>SEQ6</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-0.451</td>
<td>-2.638</td>
<td>0.124</td>
</tr>
<tr>
<td>SEQ7</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-0.693</td>
<td>-4.051</td>
<td>0.921</td>
</tr>
<tr>
<td>SEQ9</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-0.166</td>
<td>-0.972</td>
<td>-0.483</td>
</tr>
<tr>
<td>SFQ2</td>
<td>1</td>
<td>5</td>
<td></td>
<td>-1.186</td>
<td>-6.933</td>
<td>1.538</td>
</tr>
</tbody>
</table>
4.5 Correlation Analysis

In correlation matrix table 4.9, the diagonal elements in bold are the square root of the average variance extracted (AVE) of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns. Discriminant validity was confirmed for the measurement model.

### Table 4.9 Correlation Matrix

<table>
<thead>
<tr>
<th>Constructs</th>
<th>AVE</th>
<th>Recruitment And Selection Policy</th>
<th>Reward Policy</th>
<th>Employee Relations Policy</th>
<th>Organization Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment And Selection Policy</td>
<td>0.900</td>
<td><strong>0.949</strong></td>
<td>0.749</td>
<td>0.859</td>
<td></td>
</tr>
<tr>
<td>Reward Policy</td>
<td>0.738</td>
<td>0.760***</td>
<td>0.854***</td>
<td>0.883</td>
<td>0.860</td>
</tr>
<tr>
<td>Employee Relations Policy</td>
<td>0.779</td>
<td>0.704***</td>
<td>0.854***</td>
<td>0.883</td>
<td>0.860</td>
</tr>
<tr>
<td>Organization Performance</td>
<td>0.740</td>
<td>0.203**</td>
<td>0.314**</td>
<td>0.347**</td>
<td>0.860</td>
</tr>
</tbody>
</table>

*** P< 0.010, ** p < 0.050

Table 4.9 indicates that there exist a positive and significant correlation coefficient between Recruitment and Selection Policy and Organization Performance (r=0.347, p<0.05). The correlation coefficient for the relationship between Recruitment and Selection Policy and Organization Performance was positive and significant (r=0.314, p<0.05). The correlation coefficient for the relationship between Recruitment and Selection Policy and Organization Performance was positive and significant (r=0.203, p<0.05).
4.6 Regression Analysis

4.6.1 Regression Analysis of Reward Management Policy and Organizational Performance

The study sought to statistically test whether Reward Management Policy affects Organizational Performance. This was tested using the perceived Organizational Performance as a predictor variable against the reward management policy achieved in the firm.

Table 4.10: Model Summary of Reward Management Policy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.876(^a)</td>
<td>.760</td>
<td>.757</td>
<td>.22610</td>
</tr>
</tbody>
</table>

Note: a. Predictors: (Constant), Organizational performance

The R2 from this test is 0.760 suggesting that 76 percent of the variation in reward management policy in the firms results from organizational performance. The remaining 24 percent is due to other factors not tested in this mode.

4.6.2 Regression Analysis of Employee Relations policy and Organizational Performance

Table 4.11 shows that the coefficient of determination for the relationship between Employee Relations policy and organizational performance was 0.87 and this means that 87 percent of Employee Relations policy was explained by organizational performance. The remaining 11.8 percent was explained by other factors not considered in the model.

Table 4.11: Model Summary of Employee Relations policy and Organizational Performance

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.934(^a)</td>
<td>.883</td>
<td>.870</td>
<td>.16552</td>
</tr>
</tbody>
</table>
Note: a. Predictors: (Constant), Organizational Strategy

Table 4.11 shows the overall model significance with a p-value of 0.000. The study hence concluded that Employee relations policy has a significant influence on an organizational performance.

4.7 Chapter Summary
The outcomes and discoveries of the investigation have been given in this section. These outcomes and discoveries depended on the information given out by the respondents. The section gave examination on the reaction rate, foundation data and the four destinations. The next chapter gives the summary, discussion, conclusions and recommendation of the study.
CHAPTER FIVE

5.0 DISCUSSIONS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter discusses the summary, discussion, conclusions and recommendation of the study concerning the recruitment and section, reward management, employee relations and training and development and their relationship with organization performance. The study also gives recommendation for further research.

5.2 Summary
The aim of the study was to determine the effect of Human Resource Management policies (recruitment and selection, reward policy, employee relations policy and training and development policy) on organization performance, a case study of Frigoken Limited. The data for the study was collected from 278 state corporations using a structured self-administered questionnaire with a five-point Likert-type scale questions. The study findings show that there is a positive and statistically significant relationship.

The first objective of the study was to examine the recruitment & selection policy and organizational performance. The study includes, Employees are fully satisfied with the recruitment and selection practices in your institution, Speed, quality and uniformity of Recruitment & Selection improve performance, Frigoken Ltd has formulated an active recruitment and selection policy, Frigoken Ltd links its recruitment and selection policy to the overall Frigoken Ltd strategy which improve performance, Recruitment produce qualified candidates and finally organizational performance is affected mainly by recruitment. Tests for enlightening measurements were performed utilizing factual programming called SPSS. The expressive outcomes for variable of enrollment and choice strategy were given as far as the mean and standard deviation. The aggregate number of respondents dissected in each measure was 246. This was controlled by the quantity of legitimate finish polls for each situation.

The mean for Descriptive of recruitment & selection policy ranged from 3.22 to 3.74. The findings of the study mean that recruitment & selection policy. Even though the study shows that respondents agreed that Frigoken Ltd has formulated an active recruitment and selection
policy, they highly disagreed on the variable that Speed, quality and uniformity of Recruitment & Selection improve performance mean of 3.22. Other variables such as employees are fully satisfied with the recruitment and selection practices in your institution had a mean of 3.72, Recruitment produce qualified candidates with 3.52 this implies that the organization was satisfied with the recruitment policy. The standard deviation for recruitment & selection policy figure was .920 lowest while the highest was 1.387. The highest was that the Recruitment produce qualified candidates while the lowest was that employees are fully satisfied with the recruitment and selection practices in your institution. Others such as speed, quality and uniformity of Recruitment & Selection improve performance and Frigoken Ltd links its recruitment and selection policy to the overall Frigoken Ltd strategy which improves performance had a standard deviation .999 and 1.247 respectfully.

The second objective of the study was to assess reward management policy and organizational performance. The study sought information from, Frigoken Ltd adheres to the recruitment and selection policy all the time it hires employees, the existing reward policy has enable the organization to remunerate employees fairly, a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Employees are rewarded on the basis of work experience and particular contributions towards the university. When Employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance, A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of compensation and benefits, Using intrinsic rewards to increase employee commitment and retention is achievable in all organizations and Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees.

The methodology that was used when carrying out data collection which involves the research design used in the study, the population of the study, sampling method to be used, data collection methods and data analysis and presentation. The researcher chooses the descriptive design since descriptive studies can give specific or group characteristics for a sampled population. It determines the frequency with which something occurs or its
association or correlation with something else. It also minimizes bias and maximizes reliability of the evidence collected if designed within precise objectives and on relevant data. Yamane's equation of 2001 was utilized to decide the example measure from populace inside every stratum (exchange and administrative). In the examining of exchange and administrative, a standard error of 95% will be considered in this inspecting computation. On a populace of 2500 it gives a 95 percent level of certainty and a greatest fluctuation (p) =0.06.

The examination embraced mean and standard deviation (S.D) as factual instruments that were utilized to rank the essentialness of the factors. The aggregate number of respondents broke down in each measure was 246. The means for Descriptive on Reward Management Policy and Organizational Performance ranged from 2.96 to 4.13. The highest mean was on a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization means that on average. The lowest was employees are rewarded on the basis of work experience and particular contributions towards the university. Others such as using intrinsic rewards to increase employee commitment and retention is achievable in all organizations had a mean of 3.42. The table above depicts the full results.

The study also shows that the standard deviation for Reward Management Policy and Organizational Performance ranged from .913 to 1.397. This means that there was high deviation among the opinions of the respondents about for reward management policy. The third objective of the study was to examine Employee Relations policy and Organizational Performance. The study sought information from, Unions have both positive and negative effects on performance, Unions improve worker’s morale and motivation and hence the organization performance, Unions force firms into inefficient personnel hiring and firing practices, Unions can reduce staff turnover which can be a benefit to the organization in terms of performance and Employee relations strategies have a significant effect on the organization performance. Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable of focus strategy were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 246. The mean for employee relations policy and organizational performance ranged from 3.12 to 3.84.
The study shows that respondents moderately agreed that employee relations policy affect organizational performance. The statements on Unions improve worker’s morale and motivation and hence the organization performance had the highest mean while the one on Unions force firms into inefficient personnel hiring and firing practices had the lowest. Employee relations policy and organizational performance had standard deviation range from 1.072 to 1.550. Unions force firms into inefficient personnel hiring and firing practices with the highest while Unions can reduce staff turnover which can be a benefit to the organization in terms of performance with the lowest .The last objective of the study was to examine the effects of Training & Development on Organizational Performance and Organizational Strategy. The study sought information from Training and development policy facilitates employees to obtain relevant skills needed in their job performance, Training and development policy ensures that employees are given fair and adequate chances for training and development opportunities, Training and Development policy ensures that the organization develops their staff through building employees competencies and optimizing their contribution towards the organization, Training and developing policy facilitates the organization to create a pool of qualified replacements for employees who may leave or be promoted to other positions of service, Training and development policy enables the organization employees to make use of advanced technology and to adapt easily to changing working environment, Training and development policy promote employees training and development and enhances their chances of meeting their personal and organizational objectives, Training and development policy creates a sense of progression and purpose that leads to organizational commitment, Training and development policy enhance positive impact on employees productivity, which results in higher level of customer and employee satisfaction and Training and development policy helps in developing climate for learning which not only aids in training to flourish but also supports self-managed learning practices like coaching and mentoring.

Tests for descriptive statistics were performed using a statistical software call SPSS. The descriptive results for variable of training & development were provided in terms of the mean and standard deviation. The total number of respondents analyzed in each measure was 246. The mean for training and development ranged from 3.73 to 4.11. The study shows that respondents moderately agreed that training and development affects organizational
performance. The training & development and organizational performance had standard deviation range from 1.025 to 1.506.

5.3 Discussions

5.3.1 Recruitment & Selection policy and Organizational Performance

The first objective of the study was to examine the recruitment & selection policy and organizational performance. The study includes, Employees are fully satisfied with the recruitment and selection practices in your institution, Speed, quality and uniformity of Recruitment & Selection improve performance, Frigoken Ltd has formulated an active recruitment and selection policy, Frigoken Ltd links its recruitment and selection policy to the overall strategy which improve performance, Recruitment produce qualified candidates and finally organizational performance is affected mainly by recruitment.

The study found out that employees are fully satisfied with the recruitment and selection practices in your institution. The recruitment and selection of employees is fundamental to the functioning of an organization, and there are compelling reasons for getting it right. Good employees are supposed to have such characteristics as high satisfaction with their jobs, high commitment towards the organization, high motivation to serve the public and strong intentions to work for the organization willingly and devotedly (Sangmook, 2014).

The study found out that Frigoken Ltd has formulated an active recruitment and selection policy this affirms to Schneider et al. (1995) opine that if an organization is able to find and employ the right people with the right knowledge, abilities and skills in the right numbers, the organization is immeasurably better placed to deal with the opportunities and threats arising from their operating environment than competitors who are always struggling to build and maintain their workforce.

The study found out that Frigoken Ltd links its recruitment and selection policy to the overall strategy which improves performance. Edwards (2011) concurs that the starting point of successful strategies is acquiring, retaining and developing resources of at least threshold standards and it is applied to people as a resource. Vroom (1966) emphasizes that recruitment is a search for qualified people to apply for existing job position or newly created ones. He
further identifies the process of recruitment as critical. The process cannot be started until the organization decides what type of employees are required and how many. Further, based on attractions election- attrition (ASA) theory (Schneider et al., 1995), argues that effective selection systems should produce high person-organization fit, enhancing employee attachment to the organization. Also, employee awareness of rigorous hiring and practice of due diligence during hiring may enhance personal competence perceptions, and evidence shows that perceived personal competence is strongly related to commitment (Edwards, 2011). This suggests that the process of recruitment can enhance employee commitment and performance.

From the investigation enrollment create qualified competitors, Gamage (2014) the determination practices will figure out who is enlisted. In the event that legitimately outlined, it will distinguish skilled hopefuls and precisely coordinate them to the activity. The utilization of the best possible choice gadget will expand the likelihood that the correct individual is filled an opening. At the point when the best individuals are chosen for the activity, profitability increments.

The examination discovered that Frigoken Ltd has a functioning enlistment and determination approach. This consequently will require associations get the procedure right the first run through round, on the grounds that assets are rare. Choosing the correct candidate can be a troublesome undertaking, yet toward the day's end, the association's notoriety is held by the general population it utilizes (Henry and Temtime, 2009). At the point when the best individuals are chosen for the activity, efficiency builds (Ofori and Aryeetey, 2011). As per (2014) the choice practices will figure out who is enlisted. On the off chance that legitimately outlined, it will distinguish capable hopefuls that can precisely coordinate the activity have been given a chance to join associations. The utilization of the best possible choice gadget will build the likelihood that the ideal individual is filled an opening. The subsection below discusses the link between recruitment and selection policies and organizational performance

The study found out that Employees are fully satisfied with the recruitment and selection practices in Frigoken. (Paauwe & Richardson, 2012) The idea behind the assumption that recruitment & selection policy significantly contributes to organizational results is that the
HR practices affects the employees in a positive matter, e.g. by increasing job satisfaction and motivation, which in turn affects the operational results, such as the quantity and quality of the products and services, which again will have positive effect on the financial and market performance of a company, like return on assets, revenue, and market share.

The study found out that Speed, quality and uniformity of Recruitment & Selection improve performance. Stanton and Nankervis (2011) pointed out that organizational performance can be improved, especially through raised productivity and employment elasticity, by ranging entire employees’ performance outcomes with wide strategic business and HRM obligations.

In this way, the management of singular employee’s performance, and their unified contributions to whole impressiveness, has possibly become the most significant actual HRM function in all organizations (Stanton & Nankervis 2011).

Finally, the study found out that organizational performance is affected mainly by recruitment, When the best people are selected for the job, productivity increases. Little wonder that writing, for example, Terpstra and Rozell (2013) announced of a positive relationship between the breadth of enrolling, determination test approval and the utilization of formal choice methods and firm benefits. Also, Rauf (2007) found that refined enrollment and choice strategies are emphatically identified with execution in organizations.

**5.3.2 Reward Management Policy and Organizational Performance**

The second objective of the study was to assess reward management policy and organizational performance. The study sought information from, Frigoken Ltd adheres to the reward policy all the time it hires employees, the existing reward policy has enable the organization to remunerate employees fairly, a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Employees are rewarded on the basis of work experience and particular contributions towards the university. When Employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance, A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization, Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of
compensation and benefits. Using intrinsic rewards to increase employee commitment and retention is achievable in all organizations and Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees.

The study found out that the existing reward policy has enable the organization to remunerate employees fairly. Kwenin, (2013) emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. This is because of its ability to create a compelling urge among employees to achieve predefined targets. Jain and Jabeen (2007) contend that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry goals. All these in turn create high performing units in every organization that determine the overall success and growth of the company, Razwn and Ali (2010). The type of reward practices used by an organization plays an important role in motivating employees to perform which has a direct effect on the overall performance of an organization. This there means that improper reward practices may have a negative effect on organizational performance.

The study also found out that a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization. The researcher La Motta (2015) recommends that the shared wisdom is that managers have to learn and know how to motivate people. He believes that an employee brings his/her own motivation, with a high expectation to be open-minded, more involved, to be responsible and to reach his/her full potential (La Motta, 2015). However, if the manager does not know how to motivate employees, or he focuses on one set of forces, it might cause motivational problems (Hitt, Black and Porter, 2009). The study also found out that employees are rewarded on the basis of work experience and particular contributions towards the university. It is very important to consider other academic contributions such as Lewis (2012), where pay has always been seen to have the ability to motivate workers in behaving in a certain way, and the dominating theory, is that of the reasonable economic person. This has a connection root with guru’s like Taylor (1911), who saw employees as lazy and in order to expand greater energy, they needed money to motivate them.
The study found out that the existing reward policy has enabled the organization to remunerate employees fairly. Kwenin Daisy, (2013) emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. This is because of its ability to create a compelling urge among employees to achieve predefined targets. Jain and Jabeen (2007) contend that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry goals. All these in turn create high performing units in every organization that determine the overall success and growth of the company, Razwn and Ali (2010). The type of reward practices used by an organization plays an important role in motivating employees to perform which has a direct effect on the overall performance of an organization. This there means that improper reward practices may have a negative effect on organizational performance.

The study found out that a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization. La Motta (2015) suggests that the shared wisdom is that managers have to learn and know how to motivate people. He believes that an employee brings his/her own motivation, with a high expectation to be open minded, more involved, to be responsible and to reach his/her full potential (La Motta, 2015). However, if the manager does not know how to motivate employees, or he focuses on one set of forces, it might cause motivational problems (Hitt, Black and Porter, 2009). For instance, a supervisor or a manager may assume that the low performance of his subordinates is brought about by being lazy, when in fact; it is caused by lack of appropriate incentives that matches his needs. The study found out that when employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance (Shanks, 2010). Evidence from various researches done over the years suggests the importance of both extrinsic and intrinsic rewards. To achieve enhanced employee satisfaction, neither one can be substituted for the other. Employees who are well paid but are made to work in environments which are not conducive or made to do repetitive work will leave for other organizations because of the lack of intrinsic rewards just as employees who work in interesting and enabling work environment will leave because they will be dissatisfied with extrinsic rewards.
Employment fulfillment has been an essential point of convergence for hierarchical and modern brain science. In characterizing work fulfillment, the reference is frequently made to Locke's (2006) depiction of occupation fulfillment as a pleasurable or positive enthusiastic state coming about because of the examination of one's activity or employment encounters (Jex, 2012). The evaluation includes different components identified with the activity, for example, pay, working conditions, associates and manager, profession prospects and, obviously, the natural parts of the activity itself (Arnold et al, 1998). The study found out that using rewards to increase employee commitment and retention is achievable in all organizations.

Ericson (2001) maintains that organizations should look at ways in which they can accommodate the needs of their diverse workforce in order to attract and retain the best employees. The author states that “if people were only absent from their jobs when they needed to be- such as for family commitments or when they are truly ill- absenteeism would not be the major problem that it is today” (Ericson, 2011, p. 91). However, the issue of absenteeism is a multifaceted one and a phenomenon which requires a multipronged approach. It becomes evident that absenteeism remains a daunting task for many organizations and should be managed, starting with an understanding of the causes.

5.3.3 Employee Relations policy and Organizational Performance

The third objective of the study was to examine Employee Relations policy and Organizational Performance. The study sought information from, employee’s relations have both positive and negative effects on performance, employee’s relations improve worker’s morale and motivation and hence the organization performance, employee’s relations force firms into inefficient personnel hiring and firing practices, employee’s relations can reduce staff turnover which can be a benefit to the organization in terms of performance and Employee relations strategies have a significant effect on the organization performance.

The study discovered that representative's relations have both positive and negative impacts on execution; Employees who have open lines of correspondence with administrators will probably assemble powerful work associations with those chiefs, to expand their authoritative ID and improve their execution that adds to hierarchical profitability (Tsai,
The essence of employee relations is the process of building strong relationships between managers and employees based on fairness, trust, and mutual respect. It takes organizational resources to create this type of work environment. A good employee relations climate leads to motivated, loyal, and high-performing employees who are focused on achieving the best results possible for their company (Daniel, 2014).

The study found out that unions have both positive and negative effects on performance. Employees who have open lines of communication with managers are more likely to build effective work relationships with those managers, to increase their organizational identification and enhance their performance that contributes to organizational productivity (Tsai, Chuang & Hsieh, 2009). The essence of employee relations is the process of building strong relationships between managers and employees based on fairness, trust, and mutual respect. It takes organizational resources to create this type of work environment. A good employee relations climate leads to motivated, loyal, and high-performing employees who are focused on achieving the best results possible for their company (Daniel, 2014).

The study found out that unions improve worker’s morale and motivation and hence the organization performance. Daniel, (2014) Seeking to create a positive employee relations environment must be a part of every manager’s performance objectives. Supervisors and managers are the key link between employees and their company. If these relationships are strong, then employees are more likely to be satisfied with their jobs and more productive as
a result. The study found out that employee relations strategies have a significant effect on the organization performance.

According to Cote and Heslin, (2013) the relationship between job satisfaction and organizational commitment is very crucial now-a-days because people now often do not prefer to stay with the same organization for long. It has become hard for the organizations to exercise influence on the employees for retaining them. Where employees exhibit different levels of job satisfaction and if this satisfaction leads to the organization commitment, obviously organizations would want to hire employees with the higher levels of organizational commitment. Employers normally expect that people with higher levels of job satisfaction will have higher levels of organizational commitment. The reason why satisfaction will lead to the commitment is that a higher level of job satisfaction may lead to good work life and reduction in stress.

5.3.4 Training & Development on Organizational Performance

The last objective of the study was to examine the effects of Training & Development on Organizational Performance. The study sought information from Training and development policy facilitates employees to obtain relevant skills needed in their job performance, Training and development policy ensures that employees are given fair and adequate chances for training and development opportunities, Training and Development policy ensures that the organization develops their staff through building employee’s competencies and optimizing their contribution towards the organization.

The other factors include Training and developing policy facilitates the organization to create a pool of qualified replacements for employees who may leave or be promoted to other positions of service, Training and development policy enables the organization employees to make use of advanced technology and to adapt easily to changing working environment, Training and development policy promote employees training and development and enhances their chances of meeting their personal and organizational objectives, Training and development policy creates a sense of progression and purpose that leads to organizational commitment, Training and development policy enhance positive impact on employees productivity, which results in higher level of customer and employee satisfaction and
Training and development policy helps in developing climate for learning which not only aids in training to flourish but also supports self-managed learning practices like coaching and mentoring.

The training and development of the employees has direct contributions in the high achievements of organization which shows better performance. Training increased the organizational performance which predicted by many researches (Peteraf, 2013; Niazi, 2011). The resource based view theory supported that any training designed for the organization is based on the creation of values and enhancing the capabilities for continued organization performance (Barney, 1991). A comprehensive training and development program helps in deliberating on the knowledge, skills and attitudes necessary to achieve organizational goals and also to create competitive advantage (Peteraf 2013). Preparing and advancement are fundamental vital apparatuses for successful individual and association execution, consequently, association are going through cash on it with certainty that it will gain them an upper hand in the realm of business (Lynton, 2000). This was in accordance with what the investigation discovered that preparation and advancement approach encourages representatives to get pertinent aptitudes required in their activity execution. The examination discovered that preparation and advancement approach guarantees that representatives are given reasonable and satisfactory possibilities for preparing and improvement openings. As indicated by the writing the level of competency, aptitudes and capacity of the workforces of an association impacts its capacity to safeguard it’s got positions increase upper hand. Then, worker’s capability, aptitudes and star liveliness is straightforwardly relative to the level at which association can contend with others. Associations are standing up to with expanded rivalry coming about because of changes in innovation, monetary conditions, globalization and so forth.

Evans (2012) argued that People working longer for the company score higher on affective commitment, because of their gained work experience. Thereby, satisfied people score higher on affective commitment. For continuance commitment, age and function scale are significant control variables. This could have a relationship with the few alternatives that remain after quitting. Older workers and workers in a lower function scale are more afraid of the uncertain consequences after leaving the company and thus score higher on continuance
commitment. For normative commitment, only function scale is a significant control variable. Workers at lower functions are less normative committed to the firm, so they have not the feeling to reciprocate. Training and Development policy ensures that the organization develops their staff through building employee’s competencies and optimizing their contribution towards the organization.

5.4 Conclusions

5.4.1 Recruitment & Selection policy and Organizational Performance

The overall aim of the recruitment and selection process should be to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the company (Armstrong, 2006). Following the analysis and findings, the subsequent conclusions drawn based on the objectives of the study include: The organizations had existing formal policy for recruitment and selection of workers, the management objective for recruiting workers despite the existing recruitment and selection policy must be re-looked at to avoid critical failure in-terms of recruitment purpose including undesirable levels of staff turnover and claims of discrimination from unsuccessful job applicants. Conclusively, the research findings justify that Recruitment and Selection Policy plays great role in ensuring that the company performs at its best. The recruitment and selection policy running the organization has assumed all the necessary elements needed for the improvement of the organization performance. Generally, the findings showed that there was a direct link between the recruitment and selection policy to the best performance of the organization, this was due to the fact that compliance of selection and recruitment policy ensure the availability of the best employee of the required caliber who can achieve to the best of the organization.

The study findings on whether the Recruitment and Selection Policies helps the organization to achieve its objectives mainly involved. From the study findings, respondents said that the Recruitment and Selection Policy plays its role in ensuring that the company performs at its best by having real passionate and committed employees get out of time to time replacement costs due to turnovers, reduce of training costs and general sustainability of business operations as evidenced by different organization records. Therefore, these findings have
important policy implications to stakeholders, human resources managers and to the policy and decision makers. The results provide a framework that will guide decision makers in adopting necessary strategies for promoting recruitment and selection practices in the company.

The study concludes that Frigoken Ltd has an active recruitment and selection policy. This therefore, will require associations get the procedure right the first run through round, in light of the fact that assets are rare. Choosing the correct candidate can be a troublesome assignment, yet by the day's end, the association's notoriety is held by the general population it utilizes (Henry and Temtime, 2009). At the point when the best individuals are chosen for the activity, profitability builds (Ofori and Aryeetey, 2011). As indicated by (2014) the choice practices will figure out who is employed. On the off chance that legitimately composed, it will recognize skillful applicants that can precisely coordinate the activity have been given a chance to join associations. The utilization of the best possible determination gadget will build the likelihood that the ideal individual is filled an opening. The subsection below discusses the link between recruitment and selection policies and organizational performance. The study concludes out that Employees are fully satisfied with the recruitment and selection practices in Frigoken. (Paauwe & Richardson, 2012) The idea behind the assumption that recruitment & selection policy significantly contributes to organizational results is that the HR practices affects the employees in a positive matter, e.g. by increasing job satisfaction and motivation, which in turn affects the operational results, such as the quantity and quality of the products and services, which again will have positive effect on the financial and market performance of a company, like return on assets, revenue, and market share.

The study concludes out that Speed, quality and uniformity of Recruitment & Selection improve performance. Stanton and Nankervis (2011) pointed out that organizational performance can be improved, especially through raised productivity and employment elasticity, by ranging entire employees’ performance outcomes with wide strategic business and HRM obligations. In this way, the management of singular employee’s performance, and their unified contributions to whole impressiveness, has possibly become the most significant actual HRM function in all organizations (Stanton & Nankervis 2011).
5.4.2 Reward Management Policy and Organizational Performance.

Reward management is hereby seen to have a high effect on employee performance such that the more efficiently an organization manages it rewards, the better the employees will perform. However, this should not be used in isolation as some reward management practices may not be financially viable on the long term if not complemented with other human resource practices such as job enrichment, organizational restructuring and job redesign.

The study likewise reasons that evaluation approach influences workers' execution. Key to a powerful examination approach is that, it's apparent to help representatives' execution. For this to happen, it's foremost that evaluations are done dispassionately and not subjectively. Examination arrangement can empower this by guaranteeing that objectives are unmistakably spread out and representatives' execution is reviewed in light of earlier set rules. Additionally, noted was the significance of self-improvement to representatives and how receiving a learning association culture can affect positive results.

Ultimately, the investigation infers that pay arrangement influences workers' execution. Compensation packages keep on being one of the greatest factors that both the employers and employees consider when choosing to enlist or join an association. In this manner, it is critical for associations to have a strategy that gives pay bundles that are adequate to draw in capable people as well as down to earth enough that arrival on speculation can be acknowledged quickly. Pay approach ought to likewise be thought to be straightforward. Straightforwardness manufactures trust which thus helps duty. Taking everything into account, not exclusively do pertinent remuneration strategies draw in ability; they likewise help in hold submitted workers who perform.

The study concludes that the existing reward policy has enable the organization to remunerate employees fairly, Kwenin, (2013) emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. This is because of its ability to create a compelling urge among employees to achieve predefined targets. Jain and Jabeen (2007) contend that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry goals. All these in turn create high performing units in every organization that determine the overall success and growth of the
The type of reward practices used by an organization plays an important role in motivating employees to perform which has a direct effect on the overall performance of an organization. This means that improper reward practices may have a negative effect on organizational performance.

The study also concludes that a well-designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization. The researcher recommends that the shared wisdom is that managers have to learn and know how to motivate people. He believes that an employee brings his/her own motivation, with a high expectation to be open-minded, more involved, to be responsible and to reach his/her full potential (La Motta, 2015). However, if the manager does not know how to motivate employees, or he focuses on one set of forces, it might cause motivational problems. The study also found out that employees are rewarded on the basis of work experience and particular contributions towards the university. It is very important to consider other academic contributions such as Lewis (2012), where pay has always been seen to have the ability to motivate workers in behaving in a certain way, and the dominating theory, is that of the reasonable economic person. This has a connection root with guru’s like Taylor (1911), who saw employees as lazy and in order to expand greater energy, they needed money to motivate them. The study concludes that the existing reward policy has enabled the organization to remunerate employees fairly. Kwenin Daisy, (2013) emphasizes that rewards enable employees to stretch themselves and to outperform others at workplace. This is because of its ability to create a compelling urge among employees to achieve predefined targets.

Jain and Jabeen (2007) contend that the compelling urge created by the organizational rewards creates a positive attitude and a feeling of ownership of the industry goals. All these in turn create high performing units in every organization that determine the overall success and growth of the company, Razwn and Ali (2010). The type of reward practices used by an organization plays an important role in motivating employees to perform which has a direct effect on the overall performance of an organization. This means that improper reward practices may have a negative effect on organizational performance. The study concludes
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La Motta (2015) suggests that the shared wisdom is that managers have to learn and know how to motivate people. He believes that an employee brings his/her own motivation, with a high expectation to be open-minded, more involved, to be responsible and to reach his/her full potential (La Motta, 2015). However, if the manager does not know how to motivate employees, or he focuses on one set of forces, it might cause motivational problems (Hitt, Black and Porter, 2009). For instance, a supervisor or a manager may assume that the low performance of his subordinates is brought about by being lazy, when in fact; it is caused by lack of appropriate incentives that matches his needs. The study concludes that when employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance. Evidence from various researches done over the years suggests the importance of both extrinsic and intrinsic rewards. To achieve enhanced employee satisfaction, neither one can be substituted for the other. Employees who are well paid but are made to work in environments which are not conducive or made to do repetitive work will leave for other organizations because of the lack of intrinsic rewards just as employees who work in interesting and enabling work environment will leave because they will be dissatisfied with extrinsic rewards. Employment fulfillment has been a critical point of convergence for hierarchical and mechanical brain research. In characterizing work fulfillment, the reference is frequently made to Locke’s (2006) depiction of employment fulfillment as a pleasurable or positive enthusiastic state coming about because of the evaluation of one's activity or occupation encounters (Jex, 2012). The evaluation includes different components identified with the activity, for example, compensation, working conditions, associates and manager, vocation prospects and, obviously, the characteristic parts of the activity itself.

The study concludes that using rewards to increase employee commitment and retention is achievable in all organizations. Ericson (2001) maintains that organizations should look at ways in which they can accommodate the needs of their diverse workforce in order to attract and retain the best employees. The author states that “if people were only absent from their jobs when they needed to be- such as for family commitments or when they are truly ill-
absenteeism would not be the major problem that it is today”. However, the issue of absenteeism is a multifaceted one and a phenomenon which requires a multipronged approach. It becomes evident that absenteeism remains a daunting task for many organizations and should be managed, starting with an understanding of the causes.

5.4.3 Employee Relations policy and Organizational Performance

The study revealed that that employee relations management practices employed by Frigoken Limited involved in governance were effective and were likely to influence the employee performance. Thus the overall organization performance on employee relations management practices by Frigoken Limited was a positive one; even though, the study realized that employee’s performance was somehow influenced by their roles as well as their expectations. The study also concluded that Frigoken Limited organization is committed to and is involved in several employee relations management practices that have resulted in organization performance. This has also resulted into employees being proud to be associated with the organizations. Employees are the backbone of any organization that intends to achieve success in its activities; proper handling of employees as well as being concerned about their well-being encourages them to stay in the organizations, and more so to increase their productivity. The study concludes that employee’s relations improve worker’s morale and motivation and hence the organization performance, seeking to create a positive employee relations environment must be a part of every manager’s performance objectives. Supervisors and managers are the key link between employees and their company. If these relationships are strong, then employees are more likely to be satisfied with their jobs and more productive as a result (Daniel, 2014).

Organization Relationship Theory (EOR) has drawn upon social exchange (Blau, 1964) and the inducements-contributions model (March & Simon, 1958) to provide the theoretical foundation to understanding the employee and employer perspectives to the exchange. Although different views of social exchange exist, there is consensus amongst theorists that social exchange involves a series of interactions that generate obligations to reciprocate
The examination infers that associations have both positive and negative consequences for execution. Employees who have open lines of correspondence with chiefs will probably construct compelling work associations with those supervisors, to expand their authoritative recognizable proof and improve their execution that adds to hierarchical profitability (Tsai, Chuang and Hsieh, 2009). The quintessence of representative relations is the way toward building solid connections amongst chiefs and workers in view of decency, trust, and shared regard. It takes hierarchical assets to make this sort of workplace.

A decent representative relations atmosphere prompts roused, faithful, and high-performing workers who are centered on accomplishing the most ideal outcomes for their organization (Daniel, 2014). The study concludes that unions improve worker’s morale and motivation and hence the organization performance. Daniel, (2014) Seeking to create a positive employee relations environment must be a part of every manager’s performance objectives. Supervisors and managers are the key link between employees and their company. If these relationships are strong, then employees are more likely to be satisfied with their jobs and more productive as a result. The study concludes that employee relations strategies have a significant effect on the organization performance. According to Cote and Heslin (2013) the relationship between job satisfaction and organizational commitment is very crucial nowadays because people now often do not prefer to stay with the same organization for long. It has become hard for the organizations to exercise influence on the employees for retaining them. Where employees exhibit different levels of job satisfaction and if this satisfaction leads to the organization commitment, obviously organizations would want to hire employees with the higher levels of organizational commitment. Employers normally expect that people with higher levels of job satisfaction will have higher levels of organizational commitment. The reason why satisfaction will lead to the commitment is that a higher level of job satisfaction may lead to good work life and reduction in stress.

5.4.4 Training & Development on Organizational Performance

The study concludes that training and development of the employees has direct contributions in the high achievements of organization which shows better performance. Training increased the organizational performance which predicted by many researches (Peteraf, 2013; Niazi, 2011). The resource based view theory supported that any training designed for
the organization is based on the creation of values and enhancing the capabilities for continued organization performance (Barney, 1991). A comprehensive training and development program helps in deliberating on the knowledge, skills and attitudes necessary to achieve organizational goals and also to create competitive advantage (Peteraf 2013). Preparing and improvement are crucial key apparatuses for viable individual and association execution, accordingly, association are going through cash on it with certainty that it will acquire them an upper hand in the realm of business (Lynton, 2000). This was in accordance with what the examination discovered that preparation and advancement arrangement encourages representatives to acquire applicable aptitudes required in their activity execution.

The investigation presumes that preparation and advancement arrangement guarantees that representatives are given reasonable and satisfactory possibilities for preparing and improvement openings. As indicated by the writing the level of competency, aptitudes and capacity of the workforces of an association impacts its capacity to save its got positions increase upper hand. Then, worker's capability, abilities and professional liveliness is specifically relative to the level at which association can contend with others. Associations are facing with expanded rivalry coming about because of changes in innovation, monetary conditions, globalization and so on. (Evans, 2012). The study concludes that people working longer for the company score higher on affective commitment, because of their gained work experience. Thereby, satisfied people score higher on affective commitment. For continuance commitment, age and function scale are significant control variables. This could have a relationship with the few alternatives that remain after quitting. Older workers and workers in a lower function scale are more afraid of the uncertain consequences after leaving the company and thus score higher on continuance commitment. For normative commitment, only function scale is a significant control variable. Workers at lower functions are less normative committed to the firm, so they have not the feeling to reciprocate. Training and Development policy ensures that the organization develops their staff through building employee’s competencies and optimizing their contribution towards the organization.

5.5 Recommendations

5.5.1 Recommendations for Improvement
5.5.1.1 Recruitment & Selection policy and Organizational Performance

There is a need for reviewing recruitment and selection policy of the Frigoken Limited so as to cope up with dynamic changes for the recruitment and selection processes. With globalization and advancement of technology there is a need of the company to adopt the digital system which will create a pool of relevant job seekers with their qualifications at company’s hand. This will help to reduce time wastage in sourcing the candidates when need arises. Further the findings it is recommended that the company should reconsider looking at how it can start using the Electronic Recruitment and Selections technique in its Recruitment and Selection practices.

5.5.1.2 Reward Management Policy and Organizational Performance

The researcher thus makes the following recommendations for policy and practice. Frigoken Limited should adjust their policy on rewards to ensure that the priority given to the various reward management practices relate the magnitude of effect the practice has on employee performance as indicated in the correlation analysis section of this study.

The policy should also be adjusted to ensure that the Frigoken come up with harmonized rewards which would be applicable to all employees in Frigoken Limited. This would be achieved by collusions and collaborations of the HR Departments in Frigoken Limited to ensure relative uniformity in the rewards. Frigoken Limited should also change their reward practice in order to embrace grade structure by formally entailing designated job groups in their pay rolls. The job groups should be arranged in a hierarchal structure form the lowest to the highest job group and rewards pegged on the job groups.

Employees should also have their job groups indicated on their letters and pay slips to make them understand the differences in their rewards. This would ensure the employees are keen on promotion to the next job group to attain higher reward. If this is then pegged on performance, the employee performance will improve. The change in practice should also involve the reorganization their use of strategic reward to have rewards for meeting each strategic objective as well as cumulative rewards for meeting a series of objectives. This
would therefore encourage the employees to perform better in a unified direction in order to meet the strategic objectives.

5.5.1.3 Employee Relations policy and Organizational Performance

Even though the findings have revealed a positive insight on employee relations management practices by Frigoken Limited organizations, this does not mean that all employees who participated in the study had the same acuity; neither were they all contented with the employee relations practices embraced by Frigoken Limited organizations. Enhanced perception on employee relations management practices should not be restricted to the analyzed practices but should also involve other several dynamic practices based on situation. This study recommends that Frigoken Limited organizations should come up with several ways of improving their employee’s relation; this should include continuous seeking for employee opinions in matters that concern them. Organizational leadership should ensure the presence of a host of employee relations management practices to all levels of employees in the Frigoken Limited.

5.5.1.4 Training & Development on Organizational Performance

Based on the findings and conclusions training and development should be seen not only as the thread that ties together all human resource practices, but also as the instrument for establishing and signaling when and how work practices should change. Staff training and development has been identified to be very crucial for the staff and for the organization and its effectiveness therefore in order to meet the requirements Frigoken Limited should abide by the law. Employees especially those of the bottom levels like messengers, correspondence officers, store keepers and even drivers should be encouraged to go for training and development program (in service training). This will brighten up their ideas and will enable them to know more about the recent changes in technologies.

5.5.2 Recommendations for Further Study

It is important that future research studies will give more attention to how can HRM influence organizational performance. Little is known about the paths HRM takes to become valuable in achieving organizational performance. More research will result in completing
the puzzle of a phenomenon that now is still indicated as a black box. Although with prudence, this study’s conclusions can be used to solve the black box in future research. It is important for two reasons. First, insight in the phenomenon can help giving direction to future HR policy in organizations. Companies will use high performance work systems or HR practices more effectively for particular performance indicators. Secondly, explanations for differences in HRM impact on organizational performance as a result of firm size can only be given if one knows the structure of such impact. Only if the paths between HRM and organizational performance are known, differences on these paths can be signaled and, subsequently, linked to factors as firm size.

REFERENCES


APPENDICES

Appendix 1: Cover Letter

UNITED STATES INTERNATIONAL UNIVERSITY-AFRICA
P.O. BOX 14634, 00800.
NAIROBI.

Dear Respondent,

Re: Research project on the effect of human resource management policies on organizational performance

I am a student at the United States International University undertaking a Master of Science in Organizational Development. As part of the requirements of the course, I am expected to understand through research, the effect of Human Resource Management Policies on Organizational Performance; a case study of Frigoken Limited, Kenya and as such requires you to provide requisite data by filling in the attached questionnaires.

Any information and opinion obtained in connection to this study will remain confidential and will only be used for the intended research. Your name will not appear anywhere in the report. Any assistance accorded will be highly appreciated.

Regards,

Beth Kamande
SECTION A: GENERAL INFORMATION

Kindly respond to the following questions by checking on the appropriate box (X)

1. What is your gender?
   
   Male ☐   Female ☐

2. How old are you?
   
   18-25 ☐   26-34 ☐   35-54 ☐   55-60 ☐

3. What is your marital status?
   
   Single ☐   Married ☐   Divorced ☐   Separated ☐   Widow(er) ☐

4. What is your highest level of education?
   
   Primary ☐   High School ☐   Collage ☐   University ☐   Post graduate ☐

5. What is your department at Frigoken?
   
   Production ☐
   Quality Control ☐
   Stores ☐
   Human Resource ☐
   Finance ☐
   Farming Division ☐
## SECTION B: RECRUITMENT & SELECTION POLICY AND ORGANIZATIONAL PERFORMANCE

Using a scale 1-5 tick the appropriate answer from the alternatives, *1- Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5- Strongly Agree*

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<td>Frigoken Ltd has an active recruitment and selection policy.</td>
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<td>Employees are fully satisfied with the recruitment and selection practices in Frigoken</td>
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<td>Speed, quality and uniformity of Recruitment &amp; Selection improve performance.</td>
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<td>Recruitment process usually produce qualified candidates</td>
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<td>Organizational performance is affected mainly by the quality of recruitment and Selection</td>
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<td>Frigoken Ltd adheres to the recruitment and selection policy at all time it hires employees.</td>
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SECTION C: REWARD POLICY AND ORGANIZATIONAL PERFORMANCE
Using a scale of 1-5 (where 1-Strongly Agree, 2-Agree, 3-Neutral, 4-Disagree, 5-Strongly Disagree) rate your agreement with the following statements relating to reward policy

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<td>Frigoken Ltd has an active reward policy</td>
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<td>The existing reward policy has enabled the organization to remunerate employees fairly</td>
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<td>A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization</td>
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<td>Employees are rewarded on the basis of work experience and particular contributions towards the organization</td>
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<td>When employees are rewarded on the basis of merit they get motivated to work hard so that they can gain from such rewards that are attached to good performance</td>
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<td>A well designed reward policy can be used as a tool for attracting, motivating, and retaining employees within an organization</td>
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<td>Frigoken Ltd clearly define policies on employee compensation and benefits by stating what employees are entitled to in terms of compensation and benefits</td>
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Using rewards to increase employee commitment and retention is achievable in all organizations

Frigoken Ltd has formulated policies that address equitable and adequate reward for its employees

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**SECTION D: EMPLOYEE RELATIONS POLICY AND ORGANIZATIONAL PERFORMANCE**

Using a scale 1-5 tick the appropriate answer from the alternatives, *1- Strongly Disagree, 2Disagree, 3-Neutral, 4-Agree, 5- Strongly Agree*

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<td>Unions have both positive and negative effects on performance</td>
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<td>Unions improve workers morale and motivation and hence the organization performance</td>
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<td>Unions force firms into inefficient personnel hiring and firing practices</td>
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<td>Unions can reduce staff turnover which can be a benefit to the organization in terms of performance</td>
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<td>Employee relations strategies have a significant effect on the organization performance</td>
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SECTION E: TRAINING AND DEVELOPMENT POLICY AND ORGANIZATIONAL PERFORMANCE

Based on the rating scale of 1-5, where 1- strongly agree 2- Agree 3. Neutral, 4 Disagree and 5. Strongly disagree rate the following statements on Training and Development Policy

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<td>Training and development policy facilitates employees to obtain relevant skills needed in their job performance</td>
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<td>Training and development policy ensures that employees are given fair and adequate chances for training and development opportunities</td>
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<td>Training and Development policy ensures that the organization develops their staff through building employees competencies and optimizing their contribution towards the organization</td>
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<td>Training and developing policy facilitates the organization to create a pool of qualified replacements for employees who may leave or be promoted to other positions of service</td>
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<td>Training and development policy enables the organization employees to make use of advanced technology and to adapt easily to changing working environment</td>
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<td>Training and development policy promote employees training and development and enhances their chances of meeting their personal and organizational objectives.</td>
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Training and development policy creates a sense of progression and purpose that leads to organizational commitment

Training and development policy enhance positive impact on employees productivity, which results in higher level of customer and employee satisfaction

Training and development policy helps in developing climate for learning which not only aids in training to flourish but also supports self-managed learning practices like coaching and mentoring

**SECTION F: ORGANIZATIONAL PERFORMANCE**

Based on the rating scale of 1-5, where 1- strongly agree 2- Agree 3. Neutral, 4 Disagree and 5. Strongly disagree, rate the following statements on Organizational Commitment, Organizational Productivity, Customer Satisfaction, Retention, and staff turnover

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<td>I feel to be a part of this organization</td>
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<td>I am quite proud to be able to tell people about my organization</td>
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<td>Working hard leads to high productivity</td>
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<td>My work gives me a feeling of personal accomplishment</td>
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<td>The amount of work I am expected to do is realistic</td>
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<tr>
<td>Management tries their best to ensure that employees will not want to leave the Organization.</td>
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<td>Management carefully select and employ people who are well suited for the job</td>
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<td>High staff turnover causes too much wastage of resources when new staff settles in.</td>
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<tr>
<td>High staff turnover causes reduction in the quality of the products produced by the organization</td>
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