THE IMPACT OF HUMAN RESOURCE PRACTICES ON ORGANIZATIONAL PERFORMANCE: A CASE STUDY OF TATA CHEMICALS MAGADI LIMITED, IN KENYA

BY

NYABOKE KIANGOI

UNITED STATES INTERNATIONAL UNIVERSITY

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A Project Report Submitted to the Chandaria School of Business in Partial Fulfilment of the Requirements for the Degree of Masters in Business Administration (MBA)

UNITED STATES INTERNATIONAL UNIVERSITY

SUMMER 2015
STUDENT’S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: ____________________________ Date: ________________

Nyaboke Kiangoi (ID 620366)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: ____________________________ Date: ________________

J. W. Tony Nasirembe

Signed: ____________________________ Date: ________________

Dean, Chandaria School of Business
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ABSTRACT

The main objective of the study was to determine the impact of human resource practices on organizational performance. The three research questions that guided the research included: how competence development impacts employee high performance, how reward management contributes to organizational performance, and how a practice such as recruitment contributes to organizational performance. The population under study included the top management, line managers, supervisors and operative staff in Tata Chemicals Magadi Limited in Kenya. In order to determine the sample size, stratified random sampling was used in this study. The sample size consisted of 90 respondents.

The study engaged the use of a descriptive research design in order to get the data that is necessary. This helped in the primary data collection as a means of getting into the research questions. It also engaged the use of structured questionnaires that were pilot tested in order to ensure that there was data validity as well as reliability. Data coding was done using Microsoft Excel in combination with SPSS so as to generate the descriptive statistics for instance the correlations. The results were then presented in from of tables.

Looking at the study findings, it is revealed that 54.8 percent of the respondents were male while 46.2 percent of the respondents were females, and 60.7 percent of respondents were operative staff making them the majority in the company. Similarly, the study revealed that majority of the respondents had university degrees indicated by 44 percent, and 38.1 percent were in the age between 31 years and 40 years, this clearly indicates that the majority of employees are middle aged.

The study findings on how competence development impacts employee high performance revealed that the majority of respondents accepted that all components of the processes were applied, with a weighted average of 3.77 most employees agreed that to a large extent career development is given adequate importance in the organization which helps achieve the employees’ goals. It was also revealed that the norms and values of the company are clearly explained to the new employees during induction enabling understanding of the organizational objectives evidenced by the mean of 3.92. Employees were neutral about human relations competencies being adequately developed in the organization through training in human skills which enables good employee relations with a mean of 3.27. The
results showed that employees are sponsored for training programmes on the basis of carefully identified competency developmental needs scoring a mean of 4.12 and line managers provide the right kind of climate to implement on-the-job training the mean being 3.58.

The findings on how reward management contributes to organizational performance revealed that the employees believe that reward procedures have a great contribution to their performance. In general, using the scale, most of variables were strongly agreed upon. Employees, to a large extent, find the reward procedures at the company are linked to the organizational objectives with a mean of 3.73. The work environment is highly satisfactory with a mean of 3.57. The reward procedures are well communicated by management with a mean of 3.69, the performance appraisal system is highly satisfactory with a mean of 3.53, while, to a small extent employees find the salary scale of the organization to be highly satisfactory with a mean of 2.92.

The study findings on how a practice such as recruitment contributes to organizational performance revealed that the majority of respondents had varying agreements on various recruitment variables that contribute to organizational performance; the mean is between three and four. Employees were, to a large extent, very impressed by the company’s brand before joining with a mean of 4.29, the recruitment process was highly satisfactory with a mean of 3.79, before joining the company employees were very impressed by the company’s culture and values with a mean of 3.68, before joining the company employees were very impressed by its reward procedures with a mean of 3.82, on the other hand there was a neutral rating for knowledge on the company’s training procedures before joining the company with a mean of 3.43.

The study concluded that the application of HR practices do indeed have a positive impact on the performance of an organization. It is also important that the practices be integrated in order to make them more efficient. The study further recommends, researchers should invest studies to find out the impact of other human resource practices.
ACKNOWLEDGEMENT

I would like to thank the Almighty God who has provided me with focus and energy to complete this project. I thank Him for the strength and never ending support and for the great resources he has put in my life all of which have aided me through my education.

Secondly I would like to thank my parents and family who have been a blessing to me. I sincerely acknowledge the help and guidance offered by my supervisor, Justus Tony Nasirembe for guidance and support. I am also grateful for the support from my great friends, with special mention to my classmates, may God bless you all. Finally I would also like to acknowledge the entire USIU community for every bit of resources that facilitated my research activities, not to mention the staff and management team at the Tata Chemicals Magadi Limited for the great support they offered me. – I sincerely thank you all.
DEDICATION
To my Parents and Siblings, thank you for moral and financial support you have extended to me over the years, God bless you all.
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# LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>CHRM</td>
<td>College of Human Resource Management</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>ICPAK</td>
<td>Institute of Certified Public Accountants of Kenya</td>
</tr>
<tr>
<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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CHAPTER ONE

1.0 Introduction

1.1 Background of the Problem

With the current rapidly changing economic environment, organizations are reviewing their strategic focus in order to optimize their performance mandates. Strategic management practices such as reducing cost, brand marketing, and product innovation are tried and tested methods that have proved to impact organizational performance outputs. With this research paper, I hope to provide a better understanding of how best human resource management practices can provide organizations with strategies that will help them achieve improved performance outputs. In order to improve performance, organizations must device and use better process mechanisms. In this effort, employees shall be organization’s biggest asset since they use their imagination and effort to accomplish everyday business activities including managing cash flow, making business transactions, communicating through all forms of media and handling customers. (Armstrong, 2009)

Human Resource Management (HRM) can be defined as the procedure of overseeing human ability to accomplish an company's goal. (Haslinda, 2009) Organizations ought to, hence, guarantee that they know how to handle their most vital resource. HRM includes the configuration and usage of different policies and practices that guarantee a sustainable economical upper hand. With a specific end goal to cut expenses most organizations have begun outsourcing their HR capacities and getting rid of their HR offices, as simple as it is to get another person to do payroll, they overlook that HR workers add a human touch to the procedures for the organization throughout a typical day. (Ryan, 2014)

Human Resource Management (HRM) can be defined as the process of managing human talent to achieve an organization’s objective. (Haslinda, 2009) Organizations should, therefore, ensure that they know how to handle their most important asset. HRM involves the design and implementation of various policies and practices that ensure a source of sustainable competitive advantage. In order to cut costs most organizations have started outsourcing their HR functions and doing away with their HR departments, as easy as it is to get someone else to do payroll, they forget that HR employees add a human touch to the processes for the company in the course of a normal day. (Ryan, 2014)
There is no international definition of performance (Anderse´n, 2010) and no agreement on the suitable indicators of organizational performance. From a process perspective, performance involves the process of transformation from inputs to outputs in order to accomplish specific results, whereas, from an economic perspective, performance is focused on efficiency and effectiveness of the organization in managing their cost and outcome (Chien, 2004) Daft (2000) in his book defined that organizational performance is the organization’s ability to attain its goals by using resources in an efficient and effective manner”. In other words, the organizational performance concerns with the effectiveness, productivity, efficiency or excellence factors of an organization, whereby the factors are measured against the intended output (performance).

The issue on how HRM practices affect the performance of organization is drastically increasing (Chang & Chen, 2002). Prior researches proposed that HRM acts as a proactive role instead of reactive in an organization and it is deemed to be a strategic partner in strategic formulation and implementation. Huselid (1995) added that the application of good HRM practices in the organization can develop the knowledge, skills and abilities of present and prospective employees, strengthen their motivation, decrease avoidance and retain excellent employees while push nonperformers to quit and improve employees and organizational performance.

In Kenya, a new law was passed to have all HR practitioners be certified in order to work in the profession. This came as a result of some organizations not adhering to the requirements of standards, qualifications and skill required for a person to practice HR. There is an example of an organization whereby a store keeper was moved to HR when a vacancy arose. (Maurer, 2013) This is evidence of how organizations don’t fully grasp the benefits of HR practices to their overall performance. We see these types of promotions in many organizations; people are put in HR positions without having the required certification and skills. In other professions such as accounting, the East African Community Institutes of Accountants and the Institute of Certified Public Accountants of Kenya (ICPAK) ensures that the nation not only has professionally trained accountants, but also that the organizations in the country follow strict financial rules and regulations, including adherence to the international financial reporting standards.
The role of HR has shifted from handing out pink slips to having a huge part in the strategic formulation, implementation and evaluation of different policies in an organization. Regardless of its importance to an economy and the development of its citizen, the prosperity and growth of an organization still depends mainly upon the policies, programs and practices of human resource sub-system and therefore, an organization aiming at growth from all dimensions should maintain a dynamic and effective human resource sub-system and management (Wilton, 2011). There are some companies that have opted to outsource their HR functions or give the responsibilities to frontline managers, doing away completely of their HR departments. We also see entrepreneurs who do not give much thought to HR, someone who has just established a business would rather go look for an accountant than a HR manager.

Many argue that the HR department does not add any real value because they are doing transaction duties. Also that there is a conflict of interest because on one side the department is supposed to take care and provide development opportunities for employees but on the other side the department is supposed to work with the employer to discipline employees when they go wrong. (Marr, 2013) However, in reality the importance of a HR department is to be at the service of the whole company. This includes striving to make sure that the organization has engaged and satisfied employees and a culture that is aligned with the corporate strategies and goals. At the end of the day, the employees' happiness benefits the company.

Most of the times, HR departments don’t get appreciation from the rest of the organization for their work. Maintaining a whole department for human resources is expensive, and it is often less costly to allow front line managers to take on some of the same responsibilities, such as hiring. However, management that lacks HR training struggles with the hiring process and is not as effective in correct identification of the needed talent. It makes sense that assigning specific duties to managers outside their competences area costly to the company. The identified talent is less likely to be effective than if a HR practitioner was involved in talent search and recruiting.

Over the past few years, researchers have recommended many HRM practices that can be able to improve and aid organizational performance. Examples of these are emphasis on employee selection based on a perfect match with the organization’s culture, emphasis on
attitude, behaviour, and necessary professional skills required for the job, compensation contingent performance, and empowering employees by encouraging teamwork, among others. Pfeffer (1998) suggested seven HRM practices that can boost a company’s performance. The practices suggested by Pfeffer are: job security, selective hiring of employees, self-organized teams and fragmentation of decision making as the key principles of organizational design.

1.2 Statement of the Problem
Over sixty percent of businesses are estimated to fail each year in Kenya, they are overwhelmed by the distinct threats they face that affect their performance, and in turn their continuance. Past statistics argue that three out of five businesses fail within few months of operation (Kenya National Bureau of Statistics [KNBS], 2007). The failure is also due to the lack of performance standard, this is the reason why they do not hire trained personnel or train their staff on the required skills, have meager compensation structures and poor employee involvement. Needless to say, the HR processes in place are poorly structured.

In Kenya, research on human resource practices and their link to an organization’s performance in most circumstances does not acknowledge the issue of vertical and horizontal integration of HR functions. This is important to the HRM principle of a collaborative relationship among various functions. There is a need to measure the contribution of different functions collaborative relationship to the performance of a firm. Furthermore, their link to the complete business strategy and impact on performance should be focused on.

The relationship between human resource practices and performance can be reviewed in a number of different ways. Vertical integration involves the contribution of independent HR practices to organizational performance can be reviewed. Horizontal integration focuses on the collaborative relationship among the HR functions and contribution to organizational performance should be investigated.

Usyal & Koca (2009) researched on HRM practices and organizational performance and from their results; they stated that HRM practices have a positive outcome on organizational performance but a weak relationship with market performance.
Uysal and Koca (2009) found that performance-based pay, training and recruitment have a strong positive relationship with organizational performance. Also Khan (2010) researched and from his results, there is a positive relationship between compensation, performance appraisals, training and development, and recruitment and selection by themselves and also on organizational performance.

1.3 Purpose of Study
The purpose of this study was to discover the impact of human resource practices on organizational performance.

1.4 Research Questions
1.4.1 How does competence development impact employee high performance?
1.4.2 How does reward management contribute to organizational performance?
1.4.3 How does a practice such as recruitment impact performance?

1.5 Significance of Study
1.5.1 Tata Chemicals Management
This study is important as its result will enable us to establish the positioning of the HR function in the organization. It sheds light on best practices to acknowledge HR as a critical value adding function in an organization.

1.5.2 Human Resource Practitioners
This study will be of value to Human resource practitioners in that it will provide data on how Human Resource Practices are applied in an organization whether anything should be improved or not. This will allow them to identify how businesses in Kenya can incorporate or solidify the way they apply their HR resources.

1.5.3 Researchers
The study will also establish how the HR function supports business drivers to achieve exceeded performance in the organization. It is hoped that the study would generate enough attention to cause desired changes to complement the strategic role and significance of the HRM function.
1.6 Scope of Study
This study was carried out in a company in Magadi which is located in Kenya. The named company is Tata Chemicals Magadi Limited which has a population size of 300 employees. The study was carried out over a period of three months. The study involved 90 respondents who all successfully completed the data collection instruments. These included management, line managers supervisors and operative staff.

1.7 Definition of Terms

1.7.1 Strategic Human Resource Management
Strategic human resource management is the collection of actions and decisions resulting in the formulation and implementation of strategies configured to gain the organizational objectives. (Cheng, 2005)

1.7.2 Turnover
According to the business dictionary labor turnover is “a ratio of number of employees that leave a firm through attrition, dismissal, or resignation during a period to the number of employees on payroll during the same period”

1.7.3 Return on Investment
A performance measure used to evaluate the efficiency of an investment or to compare the efficiency of a number of different investments (Leonard, 2002).

1.8 Chapter Summary
This chapter has given the background of the study clearly highlighting the human resource factors that could affect organizational performance, thereby identifying and contextualizing the research problem. The chapter also explained the reason some organizations think they do not require HR as part of their business strategy and how it is a huge contributor to the success of a company. Furthermore, the chapter explained the purpose of the study and the scope that is limited to Tata Chemicals Magadi Limited. Definitions of terms used in the study have also been provided.

Chapter two mainly focuses on the review of literature on the various human resource related factors. Chapter three focuses on the research methodology, looking at the research design, population and sampling design, data collection methods, research
procedures and data analysis methods. Chapter four is the presentation of the results and findings of the study on the impact of the human resource related factors on organizational performance. Lastly, chapter five presents the discussion, conclusions and recommendation from the results and findings of the study.
CHAPTER TWO

2.0 Literature Review

2.1 Introduction
This chapter reviews the findings from studies done by other scholars on human resource management. The literature presented how competence development impacts employee management. The literature presented how competence development impacts employee high performance, how reward management contributes to organizational performance, and how a practice such as recruitment impacts organizational performance.

2.2 Competence Development

2.2.1 Definition and Importance
Competence development is often regarded as a condition for improved competitiveness since “learning generally increases average performance” (Hampel and Martinsons, 2009). High-performance organizations realize that their prosperity depends on how capable their people are. They also recognize that formal education doesn’t necessarily equip employees with the appropriate skills to thrive in an organization. Training staff is the solution to meet the precise requirements in an organization. Employees need to shape their own career success by pursuing lifetime employability, i.e. the constant fulfilling, procuring or creation of work through the optimal utilization of one’s competencies (Forrier & Sels, 2003).

Unfortunately, critics have often been skeptical towards the concept of competencies and hence the strong managerial interest in competence development was not fully rendered into the academic world, leading to a gap between theory and practice (Athey & Orth, 1999; Barrett & Depinet, 1991). In particular, a lack of insight into the organizational process of competence development can be identified at the theoretical level. In addition, prior research only focused on one aspect of competence development, showing the absence of a unified approach that discusses the interrelations between different HR-practices involved in competence development (Lai & Kapstad, 2009).

2.2.2 Competence development in Organizations
We look at competence development from an organizational perspective. In this perspective, scholars describe competence development as an important feature of the wider defined concept of competence management (Heinsman, et al., 2006). Heinsman, et
al. (2006) describe competence management as “a significant human resource tool that is usually used within companies to guide human resource practices such as selection, assessment, employee development, career management and performance appraisal” (p.293). Additional on the work of Forrier, Sels and Stynen (2009), we define competence development as: “an important feature of competence management which includes all activities conducted by the organization and the employee to sustain or improve the employee’s functional learning and career competencies”.

Most studies have limited their investigation of competence development to training and formal education, thereby ignoring other HR practices that might stimulate competence development (Nybo, 2004). Yet, career management and on-the-job learning are essential HR practices in the development of employees and are, hence, both important in the process of competence development as training and formal education (Lai & Kaapstad, 2009).

2.2.3 Alignment through competence development.

Competence development should never be seen as a goal in itself, but should rather be defined as the path followed to the fundamental organizational goal, namely a more effective and efficient organizational performance. It is a strategy or vision endorsed by the organization because of its unifying nature. The unifying nature of competence development can be explained by its central role in establishing vertical and horizontal alignment within the organization by aligning organizational, team and individual goals (Cardy & Selvarajan, 2006; Fleury & Fleury, 2005). The competence framework entails the development of a mutual language throughout the organization, making it feasible to translate an organization’s strategy into individual goals and competencies for every employee (Audenaert, Vanderstraeten, & Buyens, 2009; Fleury & Fleury, 2005).

By defining core competencies, the business can easily translate its comprehensive strategy to the level of groups and individuals and, hence, align the necessary organizational competencies with the individual competencies already among employees (Bergenhenegouwen, et al., 1997). The core competencies reflect the generic competencies that every employee of the organization has to possess.

Integrating the different HR practices through competence development: horizontal alignment. Competence development brings out horizontal alignment by streamlining the different HR practices within the organization (Mansfield, 1996). Recruitment, selection,
training, performance management, career management, and reward management no longer exist as loose ends, but are integrated in one general HR system to maximize the effectiveness of all HR-related actions. This fits with a configurational view on HRM, asserting that an effective combination of HRM practices, often cited as HRM bundles, has a positive effect on firm performance (Gooderham, Parry, & Ringdal, 2008; MacDuffie, 1995). These HR bundles create connected synergistic effects that exceed the effects of the individual practices forming the HR bundle (Becker & Gerhart, 1996; Delery, 1998). By using a competence framework, organizations put competencies at the core of each HR-process. As such, competence development initiatives guarantee that the different HR practices of an organization are geared to one another (Audenaert, et al., 2009), leading to a system of mutually sustaining practices.

2.3 How Reward Management Contributes To Organizational Performance

2.3.1 Definition of Reward

Malhotra et al. (2007) delineate that "work rewards" are the advantages, people get from their working environment and are considered determinants of occupation duty and fulfillment. Stone et al. (2010) found that monetary motivating forces are not generally invited by all representatives and material motivators normally don't have a tendency to fulfill the essential mental needs and perceive the individual differences. Gross and Friedman (2004) recognized that rewards are presently more than an obsolete idea of accepting pay checks following a week, rather they embrace the comprehensive worth plan that the employer prescribe to the employee incorporating remuneration (consisting of base pay, short and long haul motivators), vocations (preparing and improvement, vocation movement) and advantages (wellbeing issues, work/life, and different advantages).

Among a wide range of rewards, money related pay is considered ever-present and a more huge element (Milkovich and Newman, 2004). "Pay" is not considered only a helper (Gardner et al., 2004), yet in expansion as a method for fortifying representative maintenance (Lum et al., 1998). Nonetheless, Adams (1963) pointed out that conveyance of money related prizes may make imbalance issues that destabilize the likelihood of positive effect of "pay" and prompts negative results. Considering the "pay issues" two sorts of "reasonableness" considered related distributive equity and procedural equity, previous alludes to the degree in which workforce see their measure of pay as reasonable,
while the latter is concerned with saw decency of the assets and strategies utilized as a part of deciding the measure of pay. Hsee and Abelson (1991) contended that in procurement of pay representatives for the most part are touchy with speed "the heading and rate of progress" in light of the fact that they search out and investigate data about their advancement. Trevor et al. (1997) invested with confirmation that "pay development" has a key negative effect on turnover.

2.3.2 Extrinsic and Intrinsic Rewards

As indicated by Chiang and Birtch (2007) the utility and allurement in rewards is uncovered in a variety of hypothetical viewpoints. The dichotomy of intrinsic and extrinsic rewards was started by Herzberg et al. (1957) who named the accomplishment, acknowledgment and progression as intrinsic rewards that persuade the workers more than the extrinsic rewards, that is, compensation, employer stability or work space, and so on. Zhou et al. (2009) states that the theory of extrinsic rewards started from the term" utilitarianism" and proposes that individuals' practices are modifiable, so by giving outward rewards their execution could be upgraded, while in correlation with "utilitarianism", the expression "Sentimentalism" alludes to inborn inspiration that helps the advancement and imagination of the workers. These two inherent extraneous measurements are generally kept separate as per the anticipation hypothesis and managed in an altogether unmistakable mental point of view. Reward methodologies contrast in nature as the particular aura of associations. Same as associations - representatives too have particular attributes (Giancola, 2008) regarding their race, culture and ethnicity in deciding prizes. Hence, aggregate prize methodology needs to prop up in the business procedure and it must be imparted to all representatives (Lyons and Bin-Ora, 2002) and once the business method is contrived, the organizations decide how they will contend in the open business sector (Kaplan, 2007).

Gross and Friedman (2004) found that with a specific end goal to keep up a compelling "aggregate prize method" it is indispensable to have quality data and investigation to settle on better choices furthermore to assess the effect of those choices. Zingheim and Schuster (2007) affirm that senior administration must consider six prize standards same as they help in building up the aggregate prize procedure: making an idealistic and common prize experience, supporting prize with business objectives to specialty a win-win association, augmenting "representatives" viewable pathway, coordinating prizes, recompensing
workers "continuous" evaluation with essential pay, adjusting the "prize results" with execution based pay. Silverman and Reilley (2003) found in his study that better the fit among the way to deal with "aggregate prize" and the corporate procedure, all the more indistinguishable the prize plans will be fruitful

2.3.3 Total Rewards Models
Giancola (2009) stated in his article the most simplified model containing five modules, that is, remuneration, benefits, work-life balance, acknowledgment, career opportunity and advancement. IRS (2004) model speaks to three parts, that is, settled prize, execution related prizes and environment related prizes. The principal manages the part of worker in a firm through annuity and base compensation. The second part values the worker's commitment as far as investment opportunities and rewards and so forth and the third backings the vocation bargain through immaterial prizes like workplace and formative prospects and so on. Gross and Friedman (2004) exhibited a "MercerHuman Resource Counseling Model" in their article that addresses multitudinous parts with pay, benefits and professions (O'Neal, 1998). Kantor and Kao (2004) exhibited four quadrants structure to sort out the aggregate prizes components, that is, pay, advantages, learning and improvement and workplace (Rumpel and Medcof, 2006).

2.3.4 Correspondence of total rewards
Successful communication helps workers not just in comprehension of the reward structure and degrees; also, it uplifts the worker's vision to comprehend their commitment and the compensating procedure. While, even the most great compensation plans can meet disappointment on the off chance that they are not all around imparted to the worker (Lyons and Ben-Ora, 2002). Various studies recommend that there is an idealistic relationship between effective correspondence of rewards and worker commitment that adjusts corporate results. To dodge the poor correspondence, associations have a tendency to give fitting data whether through web, if the firm is considered intranet campaign through assorted strategies like intelligent PDF documents rollovers permit workers to get to more subtle elements in a succinct and less excessive time allotment( (Rowley, 2009), while Lyons and Ben-Ora (2002)conversed upon the actuality ,the same number of shop floor representatives may not have admittance of the web, so different choices like ad through publications, pay slip data, workshops and individual instructions must be dispersed.
Zingheim and Schuster (2004) battle that senior administration need to know the importance of conveying and teaching the workforce in regards to the change of rewards and employees must be included in that procedure. Pfau and Kay (2002) remarked that shareholder worth and affirmation is observably higher in those associations where workers know the heaviness of the prize bundles by and by. So as to make a powerful utilization of the interest in "enlistment" and "maintenance" it is imperative to convey the acceptance and method of reasoning connected with the benefits

2.4 How A Practice Such As Impacts Recruitment Performance

2.4.1 Behling et al.’s insights

A theoretical base for job choice decisions is provided by Behling, Labovitz & Gainer (1968). They developed the job choice model, which states that, from an applicant perspective, job choice decisions are based upon the assessment of advantages and disadvantages of job attributes in order to fulfill personal needs. Behling et al. (1968) proposed three separate theories that provide insight into attributes that influence three recruitment outcomes: applicant decision making, organizational attractiveness and job choice behavior (Harold & Ployhart, 2008). The three theories of job choice are the objective theory, the subjective theory and the critical contact theory.

The objective theory presumes that applicants base their job choices on a “weighting of the advantages and disadvantages of each offer in terms of objectively measurable factors” (Behling et al., 1968, pp. 14-15). Harold & Ployhart (2008) mention that objective theory suggests that applicants’ job choice decisions are based on tangible job and organization attributes. This implies that a job seeker is most likely to choose a job or organization that offers the most attractive package of job and organization attributes.

The subjective theory views applicants as psychological beings. According to Behling et al. (1968, pp. 15-16) it is a candidates’ perception of the work environment and the “perceived capability of the company to give satisfaction for deep-seated and often unrecognized emotional needs of the applicant”. Harold & Ployhart (2008) mention that this comes down to the degree of fit between an applicant and the organization in terms of needs, personality and values. This ‘fit’ stipulates whether an applicant feels attracted and may eventually choose to accept or reject a job offer.
The main assumption in critical contact theory is that applicants are incapable of differentiating between firms on the basis of objective and/or subjective criteria (Behling et al., 1968). They provide three reasons for this incapability. First, the contact with the firm is superficial and provides limited in-depth information. Second, firms hide differences with competing organizations during recruitment. Third, applicants have not enough experience in evaluating information offered by the firm. Harold and Ployhart (2008) argue that applicants rely on characteristics of the recruiter and the recruitment process in general in their job choice decision.

Before Behling et al.’s (1968) insights will be evaluated it is important to evaluate the more general process of attraction. In order to accomplish this, it firstly is important to determine what makes an applicant feel attracted to an organization. Secondly the recruitment related outcomes of the process of attraction will be reviewed.

2.4.2 Attraction predictors and outcomes

Chapman et al. (2005) give insights in their meta-analysis of the predictors and outcomes of organizational and job attraction of applicants. On the basis of 71 studies, Chapman et al. (2005) studied six predictors of applicant attraction: job and organizational characteristics, recruiter characteristics (divided into recruiter behavior and recruiter characteristics), perceptions of the recruitment process, perceived fit, perceived alternatives and hiring expectancies. They investigated these predictors in relation to four recruitment outcomes: job pursuit intentions, job-organizational attraction, acceptance intentions and job choice. Job pursuit intentions include a “willingness to enter the applicant pool without committing to a job choice” (Chapman et al., 2005, p. 929). Examples of job pursuit intentions are a person’s desire to submit an application or attending a site visit.

Secondly, job-organization attraction is defined as the applicants’ overall evaluation of the attractiveness of the job and/or organization (Chapman et al., 2005) and goes a step beyond job pursuit intentions. The job/organizational variable can be seen as the most popular attraction outcome variable in research (Chapman et al, 2005). Third, measures of acceptance intentions investigate the likelihood that an applicant will accept a job offer before the actual job choice is made (Chapman et al., 2005). The final attraction outcome is job choice, which can be assessed by the applicants’ decision with regard to the job offer of the organization (accept or decline).
In linking the outcome variables mentioned above with the six predictors of applicant attraction, Chapman et al.’s (2005) meta-analysis draws several conclusions. Results indicate that perceptions of person-organization fit and job and organizational characteristics are the strongest predictors of all attraction outcomes. Chapman et al. (2005) also conclude that the next strongest set of predictors are perceptions of the recruitment process, recruiter behaviors, and hiring expectancies, although less obvious than person-organization fit and job and organizational attributes. Recruiter demographics and perceived alternatives do not seem to predict applicant attraction outcomes.

2.4.3 Critical Review
Since Behling et al.’s (1968) insights are relatively dated, it is questionable whether the objective, subjective and/or critical contract theories are still useful as a theoretical framework for job choices. According to Harold & Ployhart (2008), the objective and the subjective theory have been subjected to a large number of investigations. They argue that there is support for both types of theory in influencing recruitment related outcomes. Results of the meta-analysis of Chapman et al (2005) also demonstrate the relevance of Behling et al.’s insights. The most important conclusions are that applicant attraction is predicted by job organization characteristics (objective theory), person-organization fit (subjective theory), perceptions of the recruitment process (critical contact theory), recruiter behavior (critical contact theory) and hiring expectancies (critical contact theory), but not recruiter demographics (critical contact theory) or perceived alternatives (critical contact theory). What becomes clear is that Behling et al.’s insights are still relevant as a theoretical base for classifying more recent theory.

2.5 Chapter Summary
The review of (various scholars) literature touched on the value added to the organization’s overall vision by the Human Resource Management function. Through the literature we were able to appreciate that even where the function is represented there are different levels and these levels and their reporting relationships sometimes affected the whole output of the function. Chapter three focuses on the research methodology, looking at the research design, population and sampling design, data collection methods, research procedures and data analysis methods.
CHAPTER THREE

3.0 Research Methodology

3.1 Introduction
This chapter addresses the population of the study, research design, sampling design, the collection and analysis of the data. The study cut across a number of business sectors in the area of Human Resource Management.

3.2 Research Design
For this study, descriptive design was used to explain the importance of a Human Resource Management Strategy in organizations. Descriptive analysis is obtained from a general class of non-experimental studies with the purpose of describing characteristics of a phenomenon as it is occurring.

3.3 Population and Sampling Design

3.3.1 Population
Population is used to reference the entire group of people, events, or things of concern that the researcher wants to study. Population forms a source from which the sample for the study is extracted (K'aol, 2008). The population distribution is illustrated in Table 3.1.

Table 3.1 Population Distribution

<table>
<thead>
<tr>
<th>Level</th>
<th>Population</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>10</td>
<td>3.3</td>
</tr>
<tr>
<td>Line Manager</td>
<td>21</td>
<td>7</td>
</tr>
<tr>
<td>Supervisors</td>
<td>90</td>
<td>30</td>
</tr>
<tr>
<td>Administrators</td>
<td>179</td>
<td>59.7</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

The population of this study was 300. The target population was composed of top management, line managers, and officers in Tata Chemicals Magadi Limited in Kenya.
This was a well-educated and articulate group; in touch with professional and business values. There were no major difficulties in terms of language and expressions.

3.3.2 Sampling Design

Sampling design refers to the sampling frame, sampling technique and the actual sample size in a research. There are various means of obtaining data, including getting data from the whole population and thus a survey, or collecting data from a section of the population which should factor the entire population, thus a sample (OECD, 2003). For this research, a sample of respondents was selected through stratified random sampling, with distribution of the population as shown in Table 3.2 below.

3.3.2.1 Sampling Frame

Cunanan and Cruz (2008) describe sampling frame as the list of elements from which the sample is actually drawn. A sampling frame consisting of top management, line managers and officers working in the organization was utilized.

3.3.2.2 Sampling Technique

According to Sheth, Bhrambhatt & Macwan (2009) stratified random sampling is a method used to get a representative sample. In stratified random sampling, the population is classified into several sub-populations called strata, items selected from each stratum constitute a sample (Sheth, 2009). This study adopted the stratified random sampling technique whereby, three sub-populations of the organization’s staff were selected. The three sub-populations were according to the positions of the respondents; top management, line manager, and officer.

3.3.2.3 Sampling Size

From the sampling frame, it was possible to determine the sample size of the study. Mugenda and Mugenda (2003), advocate for a sample of 30% of the accessible population as being sufficient. Therefore, the sample size is ninety (90) as seen in Table 3.2.

17
Table 3.2 Projected Sample Size

<table>
<thead>
<tr>
<th>Function</th>
<th>Total Population</th>
<th>30% of the population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>10</td>
<td>3</td>
</tr>
<tr>
<td>Line Managers</td>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>Supervisor</td>
<td>90</td>
<td>27</td>
</tr>
<tr>
<td>Administrator</td>
<td>179</td>
<td>54</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>300</strong></td>
<td><strong>90</strong></td>
</tr>
</tbody>
</table>

Such a size would help ensure that the study process was done without interrupting the normal running of work in the various offices. In addition, it was found logical to select 90 respondents.

3.4 Data Collection Methods

Mugenda (2003), states that descriptive data are collected through questionnaires, interviews or by observation. The main instrument for data collection was a questionnaire. Following the researcher’s selection of the data collection method, the actual process started. Cooper & Schindler (2001) identifies two types of data collection methods as Primary and Secondary data. They define Primary data as the original research where the data being collected are designed specifically to answer the research questions, while secondary data as studies done by others and for different purposes, than for which the data are being reviewed (Cooper, 2001).

The study involved collection of primary data through a survey. Questionnaires consisted of structured questions. The questionnaire was designed into four parts, with part one seeking to capture the demographic data of the respondents, part two focused on questions aimed at how competence development impacts employee high performance, with part three of the questionnaire looking at how reward management contributes to organizational performance. The last part of the instrument sought to establish how a practice such as recruitment contributes to organizational performance. The questionnaires were administered to the top management, line managers and operative staff; the whole process took a period of three weeks.
3.5 Research Procedures

The researcher held discussions through an informal meeting with the Human Resource Manager to discuss the study, seek authorization and get the necessary support. The discussion was followed by a formalization email. Questionnaires for the exercise were then finalized by the researcher using references from existing literature in the process, and the guidance of the research supervisor. Content validity of the instrument was confirmed by the research supervisor. The questionnaire was pilot tested on ten respondents selected through stratified random sampling from management and staff. The instrument was clear and well understood. Thus, the pilot test revealed its suitability for the exercise. Once the instrument’s suitability was confirmed, a total of 90 questionnaires were administered. Results from these data form the basis of the analysis consisted in this report.

3.6 Data Analysis Methods

The overall method was descriptive statistics. The researcher prepared the data through coding, editing, and cleaning to ensure orderliness, legibility, consistency and reduced errors. Microsoft Excel was used for data cleaning and applicable analysis. The Statistical Package for Social Science (SPSS) computer software was used for statistical computations. The procedures that were used during data analysis involved statistical studies, as well as a compilation of the data gathered from the field and analyzing them by the help of tables with frequencies and percentages, which are used to compare the data collected and make concise conclusions. Data from the findings has been presented using Microsoft Word in form of tables.

3.7 Chapter Summary

This chapter dealt with the research design used in carrying out the study, the population size and sampling design, and data collection methods. The chapter also looked at the methods used in the analysis of data to identify the relationship between various human resource practices and organizational performance. The findings of the study have been discussed and presented in chapter four that follows.
CHAPTER FOUR

4.0 Research and Findings

4.1 Introduction

This chapter presents the findings and analysis of the study. The study was carried out to establish the impact of Human Resource Practices on Organizational Performance. The chapter also explains the response rate and the demographic, information with regards to the respondents; consequently the remaining sections provide the summary of findings with regards to specific research questions; how competence development impacts employee high performance, how reward management contributes to organizational performance, and how recruitment affects organizational performance. A total of eighty four (84) questionnaires were responded to which translated to 93.3 percent of the sample size.

Table 4.1: Response Rate.

<table>
<thead>
<tr>
<th>Response Rate</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Questionnaires Returned</td>
<td>84</td>
</tr>
<tr>
<td>Questionnaires Not Returned</td>
<td>6</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

As shown in the Table 4.1, the response rate was high; specifically 84 questionnaires were responded to and returned. This translates to 93.3 percent of the respondents and 6.7 percent of the questionnaires were not returned.

4.2 General Findings

The background information has indeed been considered meaningful by the researcher, this is because of the role it plays in enabling the understanding of the logic of the responses given by the respondents. In this sub-section, data collected was analyzed using descriptive statistics to facilitate the realization of this objective. Various demographic and socio-economic factors considered include gender, level of education, position, and age of the respondent.

4.2.1 Gender of the Respondents

Table 4.2 provides a summary of the gender of the respondents as a result of the responses given by the respondents.
Table 4.2: Gender of the Respondents

<table>
<thead>
<tr>
<th>Gender</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Male</td>
<td>46</td>
</tr>
<tr>
<td>Female</td>
<td>38</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

As clearly indicated, the findings indicate that majority of the respondents were male at a rate of 54.8 percent whereas the female respondents were at 45.2 percent. This can be deduced to mean that most employees at the company are men.

4.2.2. Age of the Respondents

The study sought to establish the age range of the respondents involved in the survey, Table 4.3 provides summary of the study findings.

Table 4.3: Age of the Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 Years</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>21 – 30 Years</td>
<td>28</td>
<td>33.3</td>
</tr>
<tr>
<td>31 – 40 Years</td>
<td>32</td>
<td>38.1</td>
</tr>
<tr>
<td>41 Years and Above</td>
<td>19</td>
<td>22.6</td>
</tr>
<tr>
<td>Total</td>
<td>84</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

The findings indicate that 6 percent of the respondents are younger than twenty years old (20 years), while 33.3 percent of the respondents were in the age range of twenty one to thirty years old (21 - 30 years old), 38.1 percent of the respondents were in the age range of thirty one to forty years old (31 - 40 years old and 22.6 percent of the respondents were forty one years and above (41 years and above). From these findings we can deduct that the majority of the employees are 31 – 40 years old.
4.2.3 Level of Education of the Respondents

The study sought to establish the level of education of the respondents involved in the survey. Table 4.4 provides a summary of the study findings.

Table 4.4: Level of Education

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Education</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>High School</td>
<td>7</td>
<td>8.3</td>
</tr>
<tr>
<td>Diploma</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>University Degree</td>
<td>37</td>
<td>44</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>14</td>
<td>16.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

Table 4.4 shows 0 percent of the respondents had only acquired primary school, 8.3 percent of the respondents were high school certificate holders while 31 percent of the respondents were diploma holders. It was also deducted for the findings that, 44 percent of the respondents had university degrees and the remaining 16.7 percent of the respondents had undergone postgraduate studies. From this we can deduct that most employees at the company have university degrees.

4.2.4. Position within the Company

Table 4.5 provides a summary of the study findings with regards to their position in the company.

Table 4.5: Job Position of Respondent

<table>
<thead>
<tr>
<th>Position</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>3</td>
<td>3.6</td>
</tr>
<tr>
<td>Line Manager</td>
<td>4</td>
<td>4.7</td>
</tr>
<tr>
<td>Supervisors</td>
<td>26</td>
<td>31</td>
</tr>
<tr>
<td>Operative Staff</td>
<td>51</td>
<td>60.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>84</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source – (Author, 2015)
From the findings, 3 percent of the respondents were top management, 4.7 percent were line managers, and 31 percent were supervisors, whereas the remaining 60.7 percent consisted of operative staff. Therefore, we can deduce that most of the employees at the company are operative staff.

4.3 How Competence Development Impacts Employee High Performance

The first research question sought to find how competence development impacts high performance. In this sub-section, an attempt was made to achieve the objective using descriptive statistics based on the responses received. Table 4.6 presents a summary of the study findings with regards to the respondents’ views.

Table 4.6: How Competence Development Impacts Employee High Performance

A scale of 1-5 was used to select the appropriate answer from the alternatives: 1-Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5-Strongly Agree. From the results an average score was calculated using Microsoft Excel; 1-2.5 – Small Extent, 2.5 – 3-5 - Average, 3.5 – 5 – Large Extent

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>5. Career development is given adequate importance in your organization which helps achieve my goals.</td>
<td>3.77</td>
</tr>
<tr>
<td>6. The norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives.</td>
<td>3.92</td>
</tr>
<tr>
<td>7. Human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations.</td>
<td>3.27</td>
</tr>
<tr>
<td>8. Employees are sponsored for training programmes on the basis of carefully identified competency developmental needs.</td>
<td>4.12</td>
</tr>
<tr>
<td>9. Line managers provide the right kind of climate to implement on-the-job training.</td>
<td>3.58</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)
From the findings, respondents had varying agreements on various competence development variables that contribute to employee high performance; the mean is between two and four. In general, using the scale, most of variables were strongly agreed upon. These competence development variables will refine the employees’ performance and help in making them more effective and profitable. Career development is given adequate importance in the organization which helps achieve the employees’ goals (mean 3.77).

The norms and values of the company are clearly explained to the new employees during induction enabling understanding of the organizational objectives (mean 3.92). Human relations competencies are adequately developed in the organization through training in human skills which enables good employee relations (mean 3.27). Similarly, the results showed that employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (mean 4.12) and line managers provide the right kind of climate to implement on-the-job training (mean 3.58).

### 4.3.1 Correlation between General Information and Competence Development Variables

A correlation test was carried out to find out whether there existed a relationship between general information and competence development variables that contribute to employee high performance as shown in Table 4.7. The level of highest education attained had a statistically significant relationship with the competence development variables that contribute to employee high performance: Career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.888, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives. \((r = 0.888, p=0.00)\), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs \((r = 0.930, p=0.00)\), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations. \((r = 0.913, p=0.00)\) and line managers provide the right kind of climate to implement on-the-job training \((r = 0.847, p=0.00)\).

The duration in the business had a statistically significant relationship with career development is given adequate importance in your organization which helps achieve my
goals (r = 0.881, p=0.00), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives. (r = 0.825, p=0.00), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations. (r = 0.928, p=0.00), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (r = 0.928, p=0.00), and line managers provide the right kind of climate to implement on-the-job training (r = 0.930, p=0.00).

Finally, the position in the company had a statistically significant relationship in the competence development variables: career development is given adequate importance in your organization which helps achieve my goals. (r = 0.824, p=0.00), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives. (r = 0.882, p=0.00), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations. (r = 0.955, p=0.00), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (r = 0.905, p=0.00) and line managers provide the right kind of climate to implement on-the-job training. (r = 0.882, p=0.00).

Table 4.7: Correlation between General Information and Competence Development

<table>
<thead>
<tr>
<th></th>
<th>Level of Education</th>
<th>Duration in the Business</th>
<th>Position in the Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career development is given adequate importance in your organization which helps achieve my goals.</td>
<td>Pearson Correlation: .888**</td>
<td>.881**</td>
<td>.824**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): .000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>The norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives.</td>
<td>Pearson Correlation: .880**</td>
<td>.825**</td>
<td>.882**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): .000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations.</td>
<td>Pearson Correlation: .913**</td>
<td>.928**</td>
<td>.955**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): .000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Employees are sponsored for training programmes on the basis of carefully identified competency developmental needs.</td>
<td>Pearson Correlation: .930**</td>
<td>.928**</td>
<td>.905**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): .000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Line managers provide the right kind of climate to implement on-the-job training.</td>
<td>Pearson Correlation: .847**</td>
<td>.930**</td>
<td>.901**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed): .000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
4.4 How Reward Management Contributes To Organizational Performance

The second research question sought to find how reward management contributes to organizational performance. In this sub-section, an attempt was made to achieve the objective using descriptive statistics based on the responses received. Table 4.8 presents a summary of the study findings with regards to the respondents’ views.

Table 4.8 How Reward Management Contributes To Organizational Performance

A scale of 1-5 was used to select the appropriate answer from the alternatives; 1- Strongly Disagree, 2-Disagree, 3-Neutral, 4-Agree, 5- Strongly Agree. From the results an average score was calculated using Microsoft Excel; 1-2.5 – Small Extent, 2.5 – 3.5 - Average, 3.5 – 5 – Large Extent

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>10. The reward procedures at the company are linked to the organizational objectives</td>
<td>3.73</td>
</tr>
<tr>
<td>11. The work environment is highly satisfactory</td>
<td>3.57</td>
</tr>
<tr>
<td>11. The reward procedures are well communicated by management</td>
<td>3.69</td>
</tr>
<tr>
<td>12. The performance appraisal system is highly satisfactory?</td>
<td>3.53</td>
</tr>
<tr>
<td>13. The salary scale of the organization is highly satisfactory?</td>
<td>2.92</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

The findings on how reward management contributes to organizational performance revealed that the employees believe that reward procedures have a great contribution to their performance. In general, using the scale, most of variables were strongly agreed upon. Employees, to a large extent, find the reward procedures at the company are linked to the organizational objectives with a mean of 3.73. The work environment is highly satisfactory with a mean of 3.57. The reward procedures are well communicated by management with a mean of 3.69, the performance appraisal system is highly satisfactory with a mean of 3.53, while, to a small extent employees find the salary scale of the organization to be highly satisfactory with a mean of 2.92.
4.4.1 Correlation between Competence Development and Reward Management

A correlation test was carried out to find out whether there existed a relationship between competence development variables and reward management variables that contribute to employee high performance as shown in Table 4.9. It shows that there is a statistically significant relationship between the reward procedures at the company being linked to the organizational objective and; career development is given adequate importance in your organization which helps achieve my goals. \( r = 0.847, p=0.03 \), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \( r = 0.731, p=0.00 \), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations \( r = 0.801, p=0.00 \), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs \( r = 0.851, p=0.00 \) and line managers provide the right kind of climate to implement on-the-job training \( r = 0.887, p=0.00 \).

The work environment is highly satisfactory had a statistically significant relationship with the following competence development variables: career development is given adequate importance in your organization which helps achieve my goals \( r = 0.878, p=0.00 \), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \( r = 0.849, p=0.00 \), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations \( r = 0.822, p=0.00 \), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs \( r = 0.803, p=0.00 \) and line managers provide the right kind of climate to implement on-the-job training \( r = 0.805, p=0.00 \).

The reward procedures are well communicated by management had a statistically significant relationship with the following the competence developments variables: career development is given adequate importance in your organization which helps achieve my goals \( r = 0.877, p=0.00 \), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \( r = 0.750, p=0.00 \), human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations \( r = 0.816, p=0.00 \), employees are sponsored for training programmes on the
basis of carefully identified competency developmental needs ($r = 0.843, p=0.00$) and line managers provide the right kind of climate to implement on-the-job training ($r = 0.840, p=0.00$).

The performance appraisal system is highly satisfactory had a statistically significant relationship with the following the competence developments variables: career development is given adequate importance in your organization which helps achieve my goals ($r = 0.841, p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.881, p=0.00$) human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations ($r = 0.806, p=0.00$), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs ($r = 0.819, p=0.00$) and line managers provide the right kind of climate to implement on-the-job training ($r = 0.704, p=0.00$).

Finally, the salary scale of the organization is highly satisfactory had a statistically significant relationship with the following the competence developments variables: career development is given adequate importance in your organization which helps achieve my goals ($r = 0.822, p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.752, p=0.00$) human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations ($r = 0.707, p=0.00$), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs ($r = 0.752, p=0.00$) and line managers provide the right kind of climate to implement on-the-job training ($r = 0.695, p=0.00$).
## Table 4.9: Correlation Analysis between Competence Development and Reward Management

<table>
<thead>
<tr>
<th></th>
<th>Career development is given adequate importance in your organization which helps achieve my goals.</th>
<th>The norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizationa l objectives.</th>
<th>Human relations competencie s are adequately developed in your organization through training in human skills which enables good employee relations.</th>
<th>Employees are sponsored for training programmes on the basis of carefully identified competency developmenta l needs.</th>
<th>Line managers provide the right kind of climate to implemen t on-the- job training</th>
</tr>
</thead>
<tbody>
<tr>
<td>The reward procedures at the company are linked to the organizational objectives</td>
<td>Pearson Correlation: .847**, .731**, .801**, .851**, .887**</td>
<td>Sig. (2-tailed): .003, .000, .000, .000, .000</td>
<td>**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The work environment is highly satisfactory</td>
<td>Pearson Correlation: .878**, .849**, .822**, .803**, .805**</td>
<td>Sig. (2-tailed): .000, .000, .000, .000, .000</td>
<td>**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The reward procedures are well communicate d by management</td>
<td>Pearson Correlation: .877**, .750**, .816**, .843**, .840**</td>
<td>Sig. (2-tailed): .000, .000, .000, .002, .000</td>
<td>**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The performance appraisal system is highly satisfactory</td>
<td>Pearson Correlation: .841**, .881**, .806**, .819**, .704**</td>
<td>Sig. (2-tailed): .000, .000, .001, .000, .000</td>
<td>**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The salary scale of the organization is highly satisfactory</td>
<td>Pearson Correlation: .762**, .752**, .707**, .752**, .695**</td>
<td>Sig. (2-tailed): .000, .000, .000, .003, .000</td>
<td>**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
4.4 How a Practice Such As Recruitment Contributes To Organizational Performance

The third research question sought to find how a practice such as recruitment contributes to organizational performance. In this sub-section, an attempt was made to achieve the objective using descriptive statistics based on the responses received. Table 4.10 below presents a summary of the study findings with regards to the respondents’ views.

Table 4.10 How a Practice Such As Recruitment Contributes To Organizational Performance

A scale of 1-5 was used to select the appropriate answer from the alternatives; 1- **Strongly Disagree**, 2- **Disagree**, 3- **Neutral**, 4- **Agree**, 5- **Strongly Agree**. From the results an average score was calculated using Microsoft Excel; 1- 2.5 – **Small Extent**, 2.5 – 3-5 – **Average**, 3.5 – 5 – **Large Extent**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before joining the company I was very impressed by its brand</td>
<td>4.29</td>
</tr>
<tr>
<td>The recruitment process was highly satisfactory</td>
<td>3.79</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by the company’s culture and values</td>
<td>3.68</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by its reward procedures</td>
<td>3.82</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by its training procedures</td>
<td>3.43</td>
</tr>
</tbody>
</table>

Source – (Author, 2015)

From the findings, respondents had varying agreements on various recruitment variables that contribute to organizational performance; the mean is between three and five. In general, using the scale, most of variables were strongly agreed upon. Before joining the company I was very impressed by its brand (mean 4.29), the recruitment process was highly satisfactory (mean 3.79), before joining the company I was very impressed by the company’s culture and values (mean 3.68), before joining the company I was very impressed by its reward procedures (mean 3.82) and before joining the company I was very impressed by its training procedures (mean 3.43).
4.5.1 Correlation between Recruitment and Other Human Resource Practices; Competence Development and Reward Management

A correlation test was carried out to find out whether there existed a relationship between recruitment and other human resource practices; competence development and reward management which contribute to employee high performance as shown in Table 4.11. It shows that there is a statistically significant relationship between knowledge of company brand before joining the company; career development is given adequate importance in your organization which helps achieve my goals. ($r = 0.872$, $p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.720$, $p=0.00$), the reward procedures at the company are linked to the organizational objective ($r = 0.920$, $p=0.00$), the work environment is highly satisfactory ($r = 0.880$, $p=0.00$) and the reward procedures are well communicated by management ($r = 0.872$, $p=0.00$).

The satisfaction with the recruitment process had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. ($r = 0.775$, $p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.948$, $p=0.00$), the reward procedures at the company are linked to the organizational objectives ($r = 0.762$, $p=0.00$), the reward procedures at the company are linked to the organizational objectives ($r = 0.713$, $p=0.00$) and the reward procedures are well communicated by management ($r = 0.508$, $p=0.00$).

The employees’ impression of the company’s culture and values before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. ($r = 0.911$, $p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.904$, $p=0.00$) the reward procedures at the company are linked to the organizational objectives ($r = 0.941$, $p=0.00$), the work environment is highly satisfactory ($r = 0.924$, $p=0.00$) and the reward procedures are well communicated by management ($r = 0.889$, $p=0.00$).
The employees’ impression of the company’s reward procedures before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.814, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \((r = 0.730, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.936, p=0.00)\), the work environment is highly satisfactory \((r = 0.867, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.969, p=0.00)\).

Finally, the employees’ impression of the company’s training procedures before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.942, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \((r = 0.877, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.880, p=0.00)\), the work environment is highly satisfactory \((r = 0.829, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.885, p=0.00)\).
Table 4.11 Correlation between Recruitment and Other Human Resource Practices; Competence Development and Reward Management

<table>
<thead>
<tr>
<th>Before joining the company I was very impressed by its brand</th>
<th>Career development is given adequate importance in your organization which helps achieve my goals</th>
<th>the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives</th>
<th>The reward procedures at the company are linked to the organizational objectives</th>
<th>The work environment is highly satisfactory</th>
<th>The reward procedures are well communicated by management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.872**</td>
<td>.720**</td>
<td>.909**</td>
<td>.880**</td>
<td>.892**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>The recruitment process was highly satisfactory</td>
<td>Pearson Correlation</td>
<td>.775**</td>
<td>.948**</td>
<td>.762**</td>
<td>.713**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by the company's culture and values</td>
<td>Pearson Correlation</td>
<td>.911**</td>
<td>.904**</td>
<td>.941**</td>
<td>.924**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by its reward procedures</td>
<td>Pearson Correlation</td>
<td>.814**</td>
<td>.730**</td>
<td>.936**</td>
<td>.867**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>Before joining the company I was very impressed by its training procedures</td>
<td>Pearson Correlation</td>
<td>.942**</td>
<td>.877**</td>
<td>.880**</td>
<td>.829**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.05 level (2-tailed).

4.5 Chapter Summary

This chapter looked at the findings of the study, which indicate that the instrument used was effective as the targeted respondents completed it. The findings reflect their views. These findings have revealed that the existence of various human resources practices positively affect the performance in an organization, and thus it is imperative that staff members understand the practices and the need for the human resource department to have a harmonized approach in the management employee performance. These findings are discussed in the following chapter 5.
CHAPTER FIVE

5.0 Discussion, Conclusions and Recommendations

5.1 Introduction

This chapter consists of four sections, namely summary, discussions, conclusions, and recommendations following that order. The initial section provides a summary of the important elements of the study, which includes the study objectives, methodology and the findings. The following subsequent section discusses the major findings of the study with regards to the specific objectives. Section three discusses the conclusions based on the specific objectives, while using the findings and results, which are obtained in the fourth chapter. The last sub-section provides the recommendations for improvement based on the specific objectives. It also provides the recommendations for further studies.

5.2 Summary

The main objective of the study was to determine the impact of human resource practices on organizational performance. The three research questions that guided the research included: how competence development impacts employee high performance, how reward management contributes to organizational performance, and how a practice such as recruitment contributes to organizational performance. The population under study included the top management, line managers, supervisors and operative staff in Tata Chemicals Magadi Limited in Kenya. In order to determine the sample size, stratified random sampling was used in this study. The sample size consisted of 90 respondents.

The study engaged the use of a descriptive research design in order to get the data that is necessary. This helped in the primary data collection as a means of getting into the research questions. It also engaged the use of structured questionnaires that were pilot tested in order to ensure that there was data validity as well as reliability. Data coding was done using Microsoft Excel in combination with SPSS so as to generate the descriptive statistics for instance the correlations. The results were then presented in form of tables.

Looking at the study findings, it is revealed that 54.8 percent of the respondents were male while 46.2 percent of the respondents were females, and 60.7 percent of respondents were operative staff making them the majority in the company. Similarly, the study revealed that majority of the respondents had university degrees indicated by 44 percent,
and 38.1 percent were in the age between 31 years and 40 years, this clearly indicates that the majority of employees are middle aged.

The study findings on how competence development impacts employee high performance revealed that the majority of respondents accepted that all components of the processes were applied, with a weighted average of 3.77 most employees agreed that to a large extent career development is given adequate importance in the organization which helps achieve the employees’ goals. It was also revealed that the norms and values of the company are clearly explained to the new employees during induction enabling understanding of the organizational objectives evidenced by the mean of 3.92. Employees were neutral about human relations competencies being adequately developed in the organization through training in human skills which enables good employee relations with a mean of 3.27. The results showed that employees are sponsored for training programmes on the basis of carefully identified competency developmental needs scoring a mean of 4.12 and line managers provide the right kind of climate to implement on-the-job training the mean being 3.58.

The findings on how reward management contributes to organizational performance revealed that the employees believe that reward procedures have a great contribution to their performance. In general, using the scale, most of variables were strongly agreed upon. Employees, to a large extent, find the reward procedures at the company are linked to the organizational objectives with a mean of 3.73. The work environment is highly satisfactory with a mean of 3.57. The reward procedures are well communicated by management with a mean of 3.69, the performance appraisal system is highly satisfactory with a mean of 3.53, while, to a small extent employees find the salary scale of the organization to be highly satisfactory with a mean of 2.92.

The study findings on how a practice such as recruitment contributes to organizational performance revealed that the majority of respondents had varying agreements on various recruitment variables that contribute to organizational performance; the mean is between three and four. Employees were, to a large extent, very impressed by the company’s brand before joining with a mean of 4.29, the recruitment process was highly satisfactory with a mean of 3.79, before joining the company employees were very impressed by the company’s culture and values with a mean of 3.68, before joining the company
employees were very impressed by its reward procedures with a mean of 3.82, on the other hand there was a neutral rating for knowledge on the company’s training procedures before joining the company with a mean of 3.43.

The study concludes that the application of HR practices do indeed have a positive impact on the performance of an organization. It is also important that the practices be integrated in order to make them more efficient. The study further recommends, researchers should invest studies to find out the impact of other human resource practices.

5.3 Discussion of Findings
A discussion on the basis on the research specific objectives is provided in this section. The section will also compare the literature review with the research findings.

5.3.1 How Competence Development Impacts Employee High Performance
The study findings on how competence development impacts employee high performance revealed that the majority of respondents accepted that all components of the processes were applied, with a weighted average of 3.77 most employees agreed that to a large extent career development is given adequate importance in the organization which helps achieve the employees’ goals and line managers provide the right kind of climate to implement on-the-job training the mean being 3.58. This was supported by what was observed by Lai & Kaapstad, (2009) who showed that career management and on-the-job learning are essential HR practices in the development of employees and are, hence, both important in the process of competence development.

It was also revealed that the norms and values of the company are clearly explained to the new employees during induction enabling understanding of the organizational objectives evidenced by the mean of 3.92, through communicating the organization’s objectives, the core competencies need to achieve this objectives should be defined, also the results showed that employees are sponsored for training programmes on the basis of carefully identified competency developmental needs scoring a mean of 4.12 as recommended by Bergenhenegouwen, et al., (1997) who said that by defining core competencies, the business can easily translate its comprehensive strategy to the level of groups and individuals and, hence, align the necessary organizational competencies with the individual competencies already among employees.
Employees were neutral about human relations competencies being adequately developed in the organization through training in human skills which enables good employee relations with a mean of 3.27. This shows the horizontal integration of other human resource practices necessary for organizational performance as evidenced by Audenaert, et al., (2009) who said that by using a competence framework, organizations put competencies at the core of each HR-process. As such, competence development initiatives guarantee that the different HR practices of an organization are geared to one another leading to a system of mutually sustaining practices.

5.3.2 How Reward Management Contributes To Organizational Performance

The findings on how reward management contributes to organizational performance revealed that the employees believe that reward procedures have a great contribution to their performance. In general, using the scale, most of variables were strongly agreed upon. Employees, to a large extent, the reward procedures at the company are linked to the organizational objective with a mean of 3.73, and the performance appraisal system is highly satisfactory with a mean of 3.53, Zingheim and Schuster (2007) attested that senior administration must consider supporting rewards with business objectives to craft a win-win association, and adjusting the "reward results" with execution based pay. Silverman and Reilley (2003) found in their study that better the fit among the way to deal with "total rewards" and the corporate strategy, the all the more indistinguishable the reward plans will be effective.

The research procedures are well communicated by management with a mean of 3.69, Lyons and Ben-Ora, (2002) propose that there is a optimistic relationship between effectively correspondence of rewards and worker commitment that adjusts corporate results. A powerful correspondence helps employees not just in comprehension of the reward structure and degrees; furthermore, it uplifts the representative's vision to comprehend their commitment and the remunerating procedure. While, even the most phenomenal compensation plans can meet disappointment in the event that they are not very much imparted to the worker. While, to a little degree workers discover the compensation size of the association to be exceedingly tasteful with a mean of 2.92. Stone et al. (2010) found that budgetary motivations are not generally invited by all employees and material incentives typically don't have a tendency to fulfill the fundamental mental needs and perceive the individual difference.
It was also revealed from the study that there existed a positive relationship between competence development and reward management. It shows that there is a statistically significant relationship between the reward procedures at the company being linked to the organizational objectives and; career development is given adequate importance in your organization which helps achieve my goals. (r = 0.847, p=0.03), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives (r = 0.731, p=0.00,) human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations (r = 0.801, p=0.00), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (r = 0.851, p=0.00) and line managers provide the right kind of climate to implement on-the-job training (r = 0.887, p=0.00).

The work environment is highly satisfactory had a statistically significant relationship with the following competence development variables: career development is given adequate importance in your organization which helps achieve my goals (r = 0.878, p=0.00), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives (r = 0.849, p=0.00,) human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations (r = 0.822, p=0.00), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (r = 0.803, p=0.00) and line managers provide the right kind of climate to implement on-the-job training (r = 0.805, p=0.00).

The reward procedures are well communicated by management had a statistically significant relationship with the following the competence developments variables: career development is given adequate importance in your organization which helps achieve my goals (r = 0.877, p=0.00), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives (r = 0.750, p=0.00,) human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations (r = 0.816, p=0.00), employees are sponsored for training programmes on the basis of carefully identified competency developmental needs (r = 0.843, p=0.00) and line
managers provide the right kind of climate to implement on-the-job training \((r = 0.840, p=0.00)\).

Zhou et al. (2009) states that the rationality of extrinsic rewards started from the term "utilitarianism" and proposes that individuals' practices are modifiable, so by giving outward remunerates their execution could be improved, while in correlation with "utilitarianism", the expression "Sentimentalism" alludes to natural inspiration that helps the development and imagination of the representatives. These two characteristic outward measurements are basically kept separate as per the anticipation hypothesis and managed in a totally unmistakable mental viewpoint.

Giancola (2009) stated in his article the most streamlined model including five modules, that is, remuneration, advantages, work-life balance, acknowledgment execution, career opportunity and advancement. IRS (2004) model speaks to three parts, that is, fixed reward, execution related prizes and environment related prizes. The first manages the part of the employee in a firm through annuity and base pay. The second part values the employee's commitment as far as investment opportunities and rewards and the third supports the employment bargain through elusive prizes like work space and formative prospects and so forth. Gross and Friedman (2004) introduced a "Mercer Human Resource Counseling Model" in their article that addresses incalculable segments with pay, career and benefits (O'Neal, 1998). Kantor and Kao (2004) exhibited a four quadrants structure keeping in mind the end goal to compose the aggregate prizes components, that is, pay, benefits, learning and improvement and workplace (Rumpel and Medcof, 2006).

5.3.3 How A Practice Such As Impacts Recruitment Performance

The study findings on how a practice such as recruitment contributes to organizational performance revealed that the majority of respondents had varying agreements on various recruitment variables that contribute to organizational performance; the mean is between three and four. Employees were, to a large extent, very impressed by the company’s brand before joining with a mean of 4.29, Harold & Ployhart (2008) mention that this comes down to a candidates’ perception of the work environment and the perceived capability of the company to give satisfaction for deep-seated and often unrecognized emotional needs of the applicant. Also the degree of fit between an applicant and the organization in terms of needs, personality and values. This ‘fit’ stipulates whether an
applicant feels attracted and may eventually choose to accept or reject a job offer. For most employees, the recruitment process was highly satisfactory with a mean of 3.79, Chapman et al. (2005) state that the next strongest set of predictors for recruitment are perceptions of the recruitment process, recruiter behaviors, and hiring expectancies, although less obvious than person-organization fit and job and organizational attributes.

Also, before joining the company employees were very impressed by the company’s culture and values with a mean of 3.68, its reward procedures with a mean of 3.82, and there was a neutral rating for knowledge on the company’s training procedures before joining the company with a mean of 3.43. Harold & Ployhart (2008) mention that objective theory suggests that applicants’ job choice decisions are based on tangible job and organization attributes. This implies that a job seeker is most likely to choose a job or organization that offers the most attractive package of job and organization attributes.

There was a positive correlation between recruitment and other human resource practices; competence development and reward management. Chapman et al. (2005) give insights in their meta-analysis of the predictors and outcomes of organizational and job attraction of applicants. On the basis of 71 studies, Chapman et al. (2005) studied six predictors of applicant attraction: job and organizational characteristics, recruiter characteristics (divided into recruiter behavior and recruiter characteristics), perceptions of the recruitment process, perceived fit, perceived alternatives and hiring expectancies. In linking the outcome variables mentioned above with the six predictors of applicant attraction, Chapman et al.’s (2005) meta-analysis draws several conclusions. Results indicate that perceptions of person-organization fit and job and organizational characteristics are the strongest predictors of all attraction outcomes. Chapman et al. (2005) also state that the next strongest set of predictors are perceptions of the recruitment process, recruiter behaviors, and hiring expectancies, although less obvious than person-organization fit and job and organizational attributes.

The study shows that there is a statistically significant relationship between knowledge of company brand before joining the company; career development is given adequate importance in your organization which helps achieve my goals. ($r = 0.872, p=0.00$), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives ($r = 0.720, p=0.00$).
reward procedures at the company are linked to the organizational objective \((r = 0.920, p=0.00)\), the work environment is highly satisfactory \((r = 0.880, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.872, p=0.00)\).

The satisfaction with the recruitment process had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.775, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \((r = 0.948, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.762, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.713, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.508, p=0.00)\).

The employees’ impression of the company’s culture and values before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.911, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \((r = 0.904, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.941, p=0.00)\), the work environment is highly satisfactory \((r = 0.924, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.889, p=0.00)\).

The employees’ impression of the company’s reward procedures before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \((r = 0.814, p=0.00)\), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \((r = 0.730, p=0.00)\), the reward procedures at the company are linked to the organizational objectives \((r = 0.936, p=0.00)\), the work environment is highly satisfactory \((r = 0.867, p=0.00)\) and the reward procedures are well communicated by management \((r = 0.969, p=0.00)\).
Finally, the employees’ impression of the company’s training procedures before joining the company had a statistically significant relationship with the other human practice variables; career development is given adequate importance in your organization which helps achieve my goals. \( r = 0.942, p = 0.00 \), the norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives \( r = 0.877, p = 0.00 \), the reward procedures at the company are linked to the organizational objectives \( r = 0.880, p = 0.00 \), the work environment is highly satisfactory \( r = 0.829, p = 0.00 \) and the reward procedures are well communicated by management \( r = 0.885, p = 0.00 \).

5.4 Conclusions
The main objective of the study was to access the impact of human resource practices on organizational performance; a case study of Tata Chemicals Magadi Limited. It particularly investigated the status of application of the basic HR processes such as competence development, reward management, and recruitment.

5.4.1 How Competence Development Impacts Employee High Performance
The study concludes that indeed competence development is a necessary human resource practice needed to help employees achieve their objectives. Competency development needs should be carefully identified and employees sponsored for trainings or taken through on-the-job training. Also there is an importance in developing interrelation competencies so as to encourage good relations at the workplace.

5.4.2 How Reward Management Contributes To Organizational Performance
Reward management has been summed up as directly linked to organizational performance. It was concluded that, there needs to be a total reward strategy that links the reward system with organizational goals through initiatives such as performance based pay. It is also very important that the reward processes be clearly communicated to employees so that they can appreciate them. In adopting a total reward strategy, the organization is able to link other human resource practices such as competence development to motivate employees.
5.4.3 How a Practice Such As Recruitment Contributes To Organizational Performance

The study concluded that organizations need to reassess the way they portray themselves in terms of brand image and ensure that their culture is attractive to potential applicants. Also, there is a need to keep up to date with recent human practice procedures so as to attract the best professionals who would want to be associated with the company.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.5.1 How Competence Development Impacts Employee High Performance

The recommendation is that the organization should continue with its efforts to maintain the above standards. The study further recommends that more sensitization should be done in the area of on-the-job training, so as to promote efficiency and effectiveness in the management of procedures in the organization.

5.5.1.2 How Reward Management Contributes To Organizational Performance

There is a need for the organization to reassess its pay structure through and find other ways of motivating employees such as performance incentives and benefits. Finally, the company should have a ‘global outlook’. Businesses of all sizes across the globe can interact and share information, technology and how reward processes are applied.

5.5.1.3 How a Practice Such As Recruitment Contributes To Organizational Performance

This study recommends that the organizations should put mechanisms in place to ensure that all stakeholders are aware of the organizations culture, structure and human reward practices so as to attract the best applicants.

5.2 Recommendations for Further Studies

The findings of this research should however be interpreted bearing their limitation in mind which should form a basis for further research. Although we conclude that HRM practices have a major impact on the performance of a company, only three independent variables were taken into consideration, further research should be done on other variables such as personnel administration and employee relations.
REFERENCES


Hampel P. S and Maris G. Martinsons 2009, "Developing international organizational change theory using cases from China", Human Relations.


Maurer, R. (2013) Kenya’s HR Profession coming to terms with certification requirements. www.shrm.org
Nyaboke Kiangoi
P. O . Box 11784 - 00400,
Nairobi,
Kenya.

Dear Respondent,

RE: RESEARCH PROJECT ON THE IMPACT OF HUMAN RESOURCE PRACTICES ON ORGANIZATIONAL PERFORMANCE

I am a student at the United States International University undertaking a Master of Business Administration in Human Resource Management. As part of the requirements of the course, I am expected to understand through research, the impact of Human Resource Practices on organizational performance; a case study of Tata Chemicals Magadi, 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. No individual respondent will be reported. Any assistance accorded will be highly appreciated.

Regards,

Nyaboke Kiangoi
APPENDIX II - QUESTIONNAIRE

SECTION A: GENERAL INFORMATION

Kindly answer all the questions either by ticking in the boxes or writing in the spaces provided.

Please Tick (√) the box that corresponds to your answer

1. Gender: Male □ Female □

2. How old are you?
   Less than 20 years □ 21 – 30 years □ 31 – 40 years □ 41 years and above □

3. What is the Highest Level of Education you have attained?
   Primary Education □ High School □
   Diploma □ University Degree □
   Postgraduate □

4. What position do you hold in the organization?
   Top Management □ Line Manager □ Supervisor □ Operative staff □

SECTION B: HOW COMPETENCE DEVELOPMENT IMPACTS EMPLOYEE HIGH 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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<tr>
<th>Statement</th>
<th>1</th>
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<tr>
<td>7. Career development is given adequate importance in your organization which helps achieve my goals.</td>
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<td>8. The norms and values of the company are clearly explained to the new employees during induction enables understanding of the organizational objectives.</td>
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<td>8. Human relations competencies are adequately developed in your organization through training in human skills which enables good employee relations.</td>
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<td>14. Employees are sponsored for training programmes on the basis of carefully identified competency developmental needs.</td>
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<td>15. Line managers provide the right kind of climate to implement on-the-job training.</td>
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### SECTION C: HOW REWARD MANAGEMENT CONTRIBUTES TO 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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<tr>
<td>16. The reward procedures at the company are linked to the organizational objectives.</td>
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<td>17. The work environment is highly satisfactory</td>
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<td>12. The appreciation or reward system provided by your management is highly satisfactory</td>
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<td>18. The performance appraisal system is highly satisfactory?</td>
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<td>19. The salary scale of the organization is highly satisfactory?</td>
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### SECTION D: HOW A PRACTICE SUCH AS RECRUITMENT CONTRIBUTES TO 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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<tr>
<td>8. Before joining the company I was very impressed by its brand</td>
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<td>9. The recruitment process was highly satisfactory</td>
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<td>10. Before joining the company I was very impressed by the company’s culture and values</td>
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<td>11. Before joining the company I was very impressed by its reward procedures</td>
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<tr>
<td>12. Before joining the company I was very impressed by its training procedures</td>
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THANK YOU FOR TAKING YOUR TIME TO COMPLETE THE QUESTIONNAIRE