ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 2, pp: (41-50), Month: April - June 2021, Available at: www.researchpublish.com

Influence of Human Resource Business Processes on the Performance of Kenya's Manufacturing Sector

Esther Waiganjo

Jomo Kenyatta University of Agriculture and Technology, Nairobi, Kenya

---

Abstract: **Effective human resource business processes are instrumental in helping achieve organizational objectives and enhance productivity. Firm performance is positively impacted by the presence of human resource practices which tend to create a significant contribution on organizational competencies, and this in turn becomes a great boost further enhancing innovativeness. To compete effectively, organizations must constantly improve their performance by designing human resource management processes to diagnose a firm's strategic human resource needs. The study sought to determine the influence of human resource business processes (selective resourcing, teams and decentralization, extensive training, sharing of information, incentives) on the performance of Kenya's manufacturing sector. The study adopted a cross sectional survey research design and the target population was the manufacturing sector in Kenya. Data was collected using questionnaires and interviews and analyzed using SPSS and Microsoft Excel. Inferential data analysis was carried out by the use of factor analysis, correlation analysis and multiple regression analysis. The findings indicated that performance was positively influenced by selective resourcing, extensive training, sharing information and incentives. Correlation analysis results revealed that the use of teams and decentralization had a strong and positive association with performance. Based on the results of this study, it could, therefore, be concluded that human resource business processes significantly influenced performance of the manufacturing sector in Kenya. The study recommends that organizations should focus on the use of human resource business processes as its involvement is necessary to ensure that human resources support its mission.**

Keywords: **Human resource business processes, Resourcing, Teams and decentralization, Training, Sharing information, Incentives.**

I. INTRODUCTION

Human resource management (HRM) is a planned approach to managing people effectively for performance. It aims to establish a more open, flexible and caring management style so that staff will be motivated, developed and managed in a way that they can give of their best to support departments' missions(Armstrong,2009). Effective human resource business processes are instrumental in helping achieve organizational objectives and enhance productivity. Human resource management entails the processes, practices, systems and procedures implemented to attract, acquire, develop and manage human resources (HR) to achieve the goals of an organization. Effective human resource management is based on strong, simple and effective modern human resources processes which are measured and constantly monitored as an organization identifies the gaps in the processes and brings the real improvements for the benefit of the organization.

Firm performance is positively impacted by the presence of HRM practices which tend to create a significant contribution on organizational competencies, and this in turn becomes a great boost for further enhancing innovativeness (Noe *et al*.2003 ; Youndt *et al*. 2004). According to Horngren (2000) and Anantharaman (2003), organizations link the maximization of performance with HRM practices. As a result of intensive competition, shorter product life cycles, volatile product and market environments, firms constantly search for newer sources of competitive advantage, one of the most important being HRM, that has the potential to improve and determine an organization's fate (Kelliher & Perrett,2001).

The manufacturing sector in Kenya contributes about 10% of GDP. In addition, the sector contributes 14% to wage employment in food processing, beverages, textile, garments, wood processing, furniture and fabricated metal. According to the Productivity Policy report (2010), the sector's contribution has stagnated at 10-12% for the last decade. According to Armstrong and Baron (2004), the practices of HRM are concerned with how people are employed and managed in organizations so as to achieve competitive advantage through the strategic deployment of a highly committed and capable workforce. Effective HRM strategy systematically organizes all individual HRM measures to directly influence employee attitude and behavior in a way that leads business to achieve its competitive strategy (Huang, 2001).

II. RESEARCH PROBLEM

According to Kenya Economic Development report (2004), corporate organizations in Kenya the sector is among the largest employers in Kenya in addition to the tax opportunities it presents. UNIDO's Competitive Industrial Performance Index rankings for Kenya indicate that the country still lags behind in the ability to produce manufactured goods competitively, coupled with a major challenge of constantly improving. The current HR processes and systems continue to constrain performance and data on the status and linkage of various HR processes to performance in the manufacturing sector is missing or difficult to come by, thereby making it difficult to define gaps and appropriately benchmark them for rapid improvement. According to the Productivity Policy report (2010), the market environment in the country has been extremely turbulent during the past decade, and to maintain continuous success in the face of global competition, organizations must identify and analyze environmental characteristics and develop HR strategies to meet changing market needs. Reviews of past studies conducted in Kenya on performance of the manufacturing sector reveal that the researchers examined other contextual issues that influenced performance but not human resource business processes. It is against this background that this research was undertaken to address the research gap, and also provide a better understanding through empirical evidence on HR business processes-performance link from a Kenyan context.

III. OBJECTIVE

The study sought to investigate the influence of human resource business processes on the performance of Kenya's manufacturing sector. The specific human resource business processes covered in the study were: selective resourcing, teams and decentralization, extensive training, sharing of information and incentives.

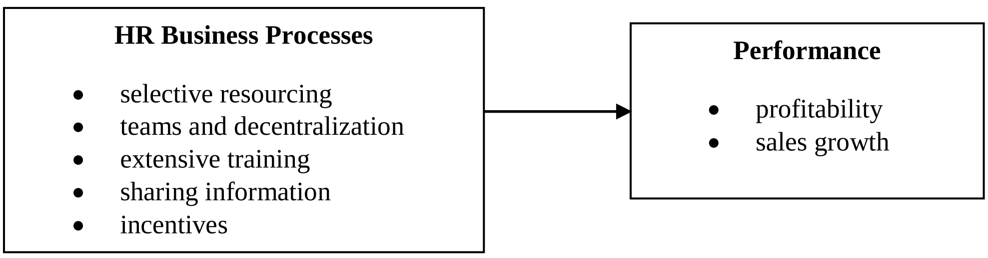
IV. SIGNIFICANCE OF THE STUDY

The findings of this study will assist organizations to evaluate the influence of human resource business processes in enhancing performance. Not all organizations have high growth potential; therefore, research and policy makers seek potential sources of growth with notions of human resource business processes, competitive advantage, competitiveness, productivity and structural changes. The study results will also open up new opportunities for increasing the performance of other organizations which have not embraced HRM system. The research aims at giving an insight into the role of HR processes in improving performance of organizations.

V. LITERATURE REVIEW

CONCEPTUAL FRAMEWORK

The distinctive HR business processes for this study was adopted from a study by Ahmad and Schroeder (2003) and included: selective resourcing, extensive training, use of teams and decentralization, sharing information and incentives. The conceptual framework depicted in figure 1 diagrammatically illustrates human resource business processes as the independent variable whereas performance is the dependent variable.



Independent variable Dependent variable

Fig 1: Conceptual framework

HUMAN RESOURCE BUSINESS PROCESSES

According to Werbel and DeMarie (2005), HRM practices create procedures that constitute the building of employees' knowledge and skills throughout the organization to promote valued and unique organizational competencies which support competitive advantage. HRM is a new paradigm in managing HR in the modern organization which is hinged on the understanding that the most critical resource that any organization must provide itself of is HR, since it is the HR that is responsible for coordinating other factors of production to spur corporate performance. To improve firm performance and create competitive advantage, a firm's HR must focus on a new set of priorities which are more business and strategic oriented and less oriented to traditional HR functions such as staffing, training, appraisal and compensation. Strategic priorities include team-based job designs, flexible workforces, quality improvement practices, employee empowerment and incentive compensation.

There is growing empirical evidence suggesting that people are the pre-eminent organizational resource and the key to achieving outstanding performance. Progressive HRM practices' including selectivity in staffing, training and incentive compensation are positively related to perceptual measures of organizational performance and has contributed to performance of firm (Scholes & Johnson, 2007; Stavron & Braster, 2005). Human resource activities are frequently acknowledged to play a central role in linking employee capabilities with the performance requirements of a firm. Huselid (2005) in his research observed that investment in human resource activities such as incentive compensation, selective staffing techniques and employee participation result in lower turnover, greater productivity and increased organizational performance through their impact on employee skill development and motivation. Pfeffer (2001) from his study has made a case that organizations wishing to succeed in today's global environment must make appropriate HR investments to acquire and build employees who possess better skills and capabilities than their competitors.

VI. RESEARCH METHODOLOGY

The study adopted cross sectional survey research design using both quantitative and qualitative approaches. The target population for this study was Kenya's manufacturing sector. The study utilized stratified random sampling to select a sample of 210 manufacturing companies registered with the Kenya Association of Manufacturers which is a premier representative organization for manufacturing value-added industries and has the mandate of promoting competitive local manufacturing in liberalized markets, representing a cross section of the entire companies in the manufacturing sector in Kenya. Data for this study was collected using questionnaires and interviews from 210 companies distributed across the 12 key industrial subsectors in the manufacturing sector. Data was analyzed using SPSS and Microsoft Excel. Inferential data analysis was carried out by the use of factor analysis, correlation analysis and multiple regression analysis.

VII. RESEARCH FINDINGS AND DISCUSSION

CORRELATION ANALYSIS

The findings of the correlation analysis Table 1 indicated that there was a significant and positive relationship between the use of teams and decentralization and selective resourcing, with a Pearson correlation coefficient $r=0.319$, p-value<0.001 which was significant at 0.000 level of significance. Extensive training was positively associated with the use of teams and decentralization, $r=0.531$, p-value<0.001 significant at 0.000 level of significance. The results of the correlation analysis revealed that sharing information was positively and significantly associated with selective resourcing, $r=0.165$, p-value=0.018, significant at 0.05 level of significance, and with the use of teams and decentralization and extensive training ($r=0.581$, $r=0.641$) respectively, with corresponding p-values <0.001, significant at 0.000 level of significance in both cases. Incentives on performance was found to be significantly and positively related with selective resourcing; $r=0.227$, p-value=0.001, with the use of teams and decentralization; $r=0.555$, $p<0.001$, with extensive training; $r=0.414$, p-value<0.001, and with information sharing: $r=0.597$, p-value<0.001, all very significant at 0.000 level of significance. However, sales growth was found to be significantly and positively correlated with only selective resourcing $r=0.293$, $p=0.002$, significant at 0.01 level of significant.

ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 2, pp: (41-50), Month: April - June 2021, Available at: www.researchpublish.com

TABLE 1: CORRELATION ANALYSIS RESULTS BETWEEN HR BUSINESS PROCESSES AND PERFORMANCE (SALES GROWTH)

HR Business Processes	X_1	X_2	X_3	X_4	X_5	SG
Selective Resourcing (X_1)	1					
Teams and decentralization (X_2)	**.319***** *.000*	1				
Extensive training (X_3)	.131 .062	**.531***** *.000*	1			
Sharing information (X_4)	**.165*** *.018*	**.581***** *.000*	**.641***** *.000*	1		
Incentives (X_5)	**.227**** *.001*	**.555***** *.000*	**.414***** *.000*	**.597***** *.000*	1	
Sales Growth (SG)	**.293**** *.002*	.005 .957	-.174 .064	-.101 .285	-.148 .115	1

***. Correlation is significant at the 0.000 level (2-tailed).
**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Only statistically correlation coefficients that were significant were highlighted

All the human resource business process (selective resourcing, use of teams and decentralization, extensive training, sharing information and incentives on performance) were found to be positively and significantly correlated with profitability ratio, all very significant at 0.000 level of significance. Their correlations coefficients as indicated on Table 2 were; r=0.248, p-value<0.001; r=0.549, p-value<0.001; r=0.450, p-value<0.001; r=0.575, p-value<0.001; r=0.951, p-value<0.001 respectively. The correlation between incentives on performance and profitability ratio was very strong, r=0.951 at p<0.001.

TABLE 2: CORRELATION ANALYSIS RESULTS BETWEEN HR BUSINESS PROCESSES AND PERFORMANCE (PROFITABILITY RATIO)

HR Business Processes	X_1	X_2	X_3	X_4	X_5	PR
Selective Resourcing (X_1)	1					
Teams and decentralization (X_2)	**.319***** *.000*	1				
Extensive training (X_3)	.131 .062	**.531***** *.000*	1			
Sharing information (X_4)	**.165*** *.018*	**.581***** *.000*	**.641***** *.000*	1		
Incentives (X_5)	**.227**** *.001*	**.555***** *.000*	**.414***** *.000*	**.597***** *.000*	1	
Profitability Ratio (PR)	**.248***** *.000*	**.549***** *.000*	**.450***** *.000*	**.575***** *.000*	**.951***** *.000*	1

***. Correlation is significant at the 0.000 level (2-tailed).

ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 2, pp: (41-50), Month: April - June 2021, Available at: www.researchpublish.com

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).
Only statistically correlation coefficients that were significant were highlighted

When perceived profitability was used, the correlation analysis results in Table 3 indicate that it was positively and significantly associated with the use of teams and decentralization r=0.187, p-value=0.09, and also correlated with sharing information r=0.252,p-value<0.001. There was also a positive and significant relationship between perceived profitability and incentives on performance r=0.159, p-value=0.026 significant at 0.05 level of significant.

TABLE 3: CORRELATION ANALYSIS RESULTS BETWEEN HR BUSINESS PROCESSES AND PERFORMANCE (PERCEIVED PROFITABILITY)

HR Business Processes	X_1	X_2	X_3	X_4	X_5	PP
Selective Resourcing (X_1)	1					
Teams and decentralization (X_2)	**.319***** *.000*	1				
Extensive training (X_3)	.131 .062	**.531***** *.000*	1			
Sharing information (X_4)	**.165*** *.018*	**.581***** *.000*	**.641***** *.000*	1		
Incentives (X_5)	**.227**** *.001*	**.555***** *.000*	**.414***** *.000*	**.597***** *.000*	1	
Perceived Profitability (PP)	.085 .234	**.187**** *.009*	.120 .094	**.252***** *.000*	**.159*** *.026*	1

***. Correlation is significant at the 0.000 level (2-tailed).
**.Correlation is significant at the 0.01 level (2-tailed).
* .Correlation is significant at the 0.05 level (2-tailed).

REGRESSION ANALYSIS

The research used multiple regression analysis to determine the linear statistical relationship between the independent and dependent variables of this study. The hypothesis was stated as: H_0 **:** Human resource business processes have no significant influence on the performance of Kenya's manufactory sector. Using stepwise regression analysis, all the five HR business processes of this study were entered with each of the measures of firm performance into the regression model.

The general multiple regression model for this hypothesis was:

$$Y= \beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+ \beta_5X_5 + \varepsilon$$

Where; Y=firm performance β_0=constant

β_i is the coefficient for X_i (i=1, 2,3,4,5)

X_1=selective resourcing

X_2=teams and decentralization

X_3=extensive training

X_4=sharing information

X_5=incentives

ε = error term

ISSN 2348-1218 (print)
International Journal of Interdisciplinary Research and Innovations ISSN 2348-1226 (online)
Vol. 9, Issue 2, pp: (41-50), Month: April - June 2021, Available at: www.researchpublish.com

TABLE 4: REGRESSION ANALYSIS RESULTS ON THE INFLUENCE OF HR BUSINESS PROCESSES ON PERFORMANCE

Dependent variable	Predictor Variable	Standardized Coefficients Beta	R^2	F	Sig.
Sales growth	X_1	.333	.138	8.861	.000[b]
	X_4	-.231			
Perceived profitability	X_4	.252	.064	13.210	. 000[b]
Profitability ratio	X_5	.923	.909	1005.846	. 000[b]
	X_3	.068			

$P<0.05$

X_1=selective resourcing X_3=extensive training X_4 =sharing information X_5=incentives

INFLUENCE OF HR BUSINESS PROCESSES ON PERFORMANCE

The decision rule is reject H_0: $\beta_i = 0$ (i=1, 2, 3, 4, 5) if the regression coefficient is significantly different from zero, and consequently accept the alternate hypothesis H_a: $\beta_i \neq 0$ (i=1, 2, 3, 4, 5).The null hypothesis (H_0) was rejected since the standardized regression coefficients were significant and statistically different from zero as indicated on Table 4.This implies that HR business processes(selective resourcing, extensive training, sharing information and incentives) influence performance. However, no linear relationship was found to exist between the use of teams and decentralization and performance. Use of teams and decentralization was not statistically significant and thus not included as a predictor of performance as the results of the regression analysis in this study indicates. The multiple regression analysis in Table 4 confirms a positive and significant linear relationship between performance and selective resourcing, extensive training, sharing information and incentives. It is evident that the best predictors of performance were the incentives and extensive training (beta value of 0.923 and 0.068 respectively), and these two variables alone could explain up to 90.9% of variation in firm performance (R^2=0.909) when using profitability ratio as a measure of performance. The study established that HR business processes were concerned in the organization's decision regarding resourcing, training and development ,reward and compensation, employee relations, plans and procedures covering core functions and ensuring that they are designed to enable the firm achieve and sustain competitive advantage.

SELECTIVE RESOURCING

The findings in Table 4 indicated that selective resourcing positively and significantly influenced firm performance of corporate organizations in Kenya in the manufacturing sector when measured as sales growth (β=0.333, $p<0.001$). For every unit increase in the use of selective resourcing, there was a corresponding increase in firm performance (sales growth) by 0.333. The empirical findings of this study indicated that selective resourcing influenced firm performance of corporate organizations in Kenya in the manufacturing sector positively. When a manufacturing company in Kenya considered behavior and attitude during selection of new employees as well as the alignment between these employees and the manufacturing activities, performance increased. These results are consistent with previous studies investigating the influence of HR practices on overall performance. The findings of a study conducted by Oya and Ayse (2006) to investigate the direct effect between HRM practices and firm performance indicated that selective resourcing had positive and significant effects on firm performance in their regression analysis. On a bivariate level, performance was also positively related to the use of selective hiring in their study. The findings of a positive and significant relationship between selective resourcing and performance in the manufacturing sector was an indication that a firm requires talented and skilled workers to sustain high level of performance as the organizations' productivity and high performance depends on the selection of the right candidates, which is also a pathway to reduced turnover. These results are supported by Michie and Sheehan-Quinn (2001) who have identified a positive link between hiring a manager and employees, and creation of the right culture for organizational growth. During selection, the right person chosen for the requisite qualifications and knowledge is placed in the appropriate job position to decrease the cost and maximize the profits by means of their talent and merit. Cho.*et al.* ((2006) have identified that there is a positive and significant relationship among HRM practices and selection is one of the practices for improving financial or profit performance. The manufacturing sector in Kenya is today concentrating more on the attitudes and behavioral characteristics of employees than on skills and knowledge per se. A study by Huselid (1995) identified a link between HRM practices and firm performance and he found that selective recruitment and selection of employee's skills has a positive impact on firm performance. In this study, selective resourcing was reported to have had a significant association with firm performance and in agreement with this finding is Huselid and Delery (1996) who contended HRM practices particularly selection, is associated with perceived firm performance.

TEAMS AND DECENTRALIZATION

Multiple regression analysis findings of this study that use of teams and decentralization does not influence performance of the manufacturing sector in Kenya and is consistent with a key finding of a study by Guest *et al*. (2000) who found out that one of the least extensive HR practice was the use of problem solving teams in organizations. Moreover, a study by Hyde *et al*. (2005) found little consistency in results, and the use of team working had non-significant associations with performance. There was a strong, positive and significant relationship between the use of teams and decentralization and profitability ratio ($r=0.549, p<0.001$) and a weak but positive relationship $r=0.187, p=0.009$) between use of teams and decentralization and perceived profitability, all significant at 0.01 level of significance. This finding is consistent to some extent with Oya and Ayse (2006) study where the use of teams had no significant relationship with firm performance in the regression analysis results. According to Mueller and Proctor (2000), the concept of team working is very much linked and is now seen as a central feature of HRM. Team working can mean different things in different organizations and Geary (2003) argues that whilst research has found that a large percentage of organizations were reporting the use of team working, only a small percent of organizations seems to be allowing teams real autonomy, so the use of teams is fairly low, with instances of semi-autonomous and self-managing teams less apparent. The findings of this study showed that the use of autonomous work teams and work groups in the manufacturing organizations in Kenya had a positive impact on both levels of employee motivation and performance but research by Condly *et al.* (1991) reveal work groups report more favourable attitudes and that there were higher levels of turnover and absenteeism for semi-autonomous teams

SHARING INFORMATION

According to the results of this research, performance when measured in terms of perceived profitability was positively influenced by sharing information. However, this linear relationship was found to be weak as the R square was 6.4%. Furthermore; a negative linear relationship existed between sharing information and firm performance when measured in terms of sales growth. The findings of this study indicating that sharing information was positively correlated with performance as well as the regression results that sharing information positively influenced firm performance of the manufacturing sector in Kenya are consistent with the Hewitt Associates Best Employers study that indicates that leaders in best Employer organizations take more time to communicate their goals and strategy, current performance and progress to plan. The results of this study are in agreement with a study by West (2002) investigating the links between specific HR practices and performance indicated that communication of performance results had a very strong impact on performance and had the strongest influence of all the HR practices. This confirms the findings of this study that communication of company strategy to employees as well as providing performance feedback positively influenced firm performance. This is because in order for people to perform better, they must receive performance appraisal and performance review so that they are motivated to work well. These findings that sharing information had a positive linear relationship with performance of manufacturing organizations in Kenya are supported by Stone (2002) who asserted that in the competitive environment, organizations need to keep improving performance to survive by providing feedback on individual performance. Sharing information by communicating on organization's strategic goals, vision, mission and aspirations to the employees has been linked to performances. One of the beneficial HRM practice is extensive sharing of corporate information. It facilitates understanding of the long run competitive strategy, goals and objectives and provides feedback on performance of employees.

EXTENSIVE TRAINING

According to the regression analysis findings of this study, a positive linear relationship existed between extensive training and firm performance These results provide empirical evidence that extensive training was related with firm performance and is consistent with the findings of a study by Oya and Ayse (2006) which found that training in multiple functions had positive and significant effect on the performance of organizations and on a bivariate level, extensive training was correlated with firm performance. Findings of previous studies by Lau and Ngo (2004): Wimbush (2005) also indicate that there is a strong link between training and organizational performance as the regression analysis results illustrates. Wright, Snell and Dyer (2005) asserted that firm competitiveness can be enhanced by extensive training among other practices, and that it has a positive relationship with organizational effectiveness

INCENTIVES

Based on the findings of this study, incentives and extensive training had a strong influence on firm performance when measured in terms of profitability ratio. The regression analysis results are consistent with the correlation analysis findings of this study which indicated that there existed a very strong, significant and positive association between incentives and profitability ratio. These findings are consistent with the results from a study by Boxall and Purcell (2003) who found that people perform well when they have the motivation to do so because they are adequately incentivized as performance goals are achieved with the help of a performance contingent incentive compensation system. Indeed, incentive pay is one of Pfeffer's best HR practices set. Performance contingent incentive compensation is widely believed to improve the performance of organizations. A Meta-analytic review by Condly *et al*. (2003) on the use of incentives to motivate performance reported that the overall average effect of all incentive programmes in all work settings and all work tasks was a gain in performance. Team directed incentives had a markedly superior effect on performance compared to individually directed incentives. The provision of incentives on performance has long been the focus of researchers and practitioners dedicated to maximizing human performance. Incentives can significantly increase work performance when they are carefully implemented and the longer they are in place, the greater the performance gain realized. Incentives should match rewards/ compensation with efforts in an equitable and just manner, rewarding short as well as long term achievements, bearing in mind that business must perform in the present to succeed in the future.

VIII. CONCLUSION

Based on the results of this study, the adoption of HR business processes by the manufacturing sector could be concluded that these processes influence firm performance. Selective resourcing, extensive training, sharing information and incentives had a positive and significant linear relationship on the various measures of firm performance that were used in this study (sales growth, profitability ratio and perceived profitability. It could, therefore, be concluded that HR business processes are important to ensure effective strategy implementation, and they significantly influence firm performance of corporate organizations in Kenya in the manufacturing sector. Intensive competition, shorter product life cycle and volatile product and market environments have contributed to the complexity faced by business. As a result, the manufacturing sector in Kenya constantly search for new sources of competitive advantage, one of the most important being HR business processes that have the potential to improve and sustain organizational performance and determine its fate. HR business processes create procedures that constitute the building of employees' knowledge and skills throughout the organization to promote valued and unique organizations competencies which support competitive advantage.

IX. RECOMMENDATIONS

The study findings revealed that HR business processes (selective resourcing, use of teams and decentralization, extensive training, sharing information and incentives) influence organizational performance. The consideration of behavior and attitude and alignment of HR with manufacturing activities of an organization, training on multiple skills and on job skills, communication of strategy and feedback on performance as well as provision of incentives contribute to sales growth, profitability ratio and perceived profitability of a firm. This is considered as a significant practical insight for managers and the results of this study have demonstrated that human resource business processes are crucial to the success of every organization and part of an organization's effort is to ensure efficiency and effective performance. HR managers must be involved in designing and implementing a set of internally consistent HR processes that ensure that firm human capital contribute to achieving firm business goals. The results of this study have assisted to determine the crucial role of HR processes and, therefore, recommend that organizations should focus on the use of HR processes as its involvement is necessary to ensure that HR supports its mission. In addition, this study recommends that organizations should increasingly recognize the role of HR processes and in particular, the HR as a legitimate business unit highly strategic in nature and critical in achieving its objectives.

REFERENCES

[1] Ahmad, S., and Schroeder,G. (2003). The Impact of HRM Practices on Operational Performance; Recognizing country and industry differences. *Journal of Operations Management.* 21(1), 19-43.

[2] Ahmad, S., and Schroeder,G. (2003) The Impact of HRM Practices on Operational Performance; Recognizing country and industry differences. Journal of Operations Management. 21(1), pp19-43.

[3] Armstrong, M.A. (2009).A Handbook of Human Resources Management. 11th ed., London: Kogan Page.

[4] Bamberger, P.,and Meshoulam,H.(2000).Human Resource Strategy: Formulation,Implementation and Impact. Sage: Beverly Hills.

[5] Beardwell,J., and Claydon,T.(2007). Human resource Management. A Contemporary Approach.5th ed., Harlow:Pearson.

[6] Becker, B.E., Huselid, M.A., & Urich, D. (2001). The Human Resource Scorecard: linking People, Strategy and Performance. Boston: Harvard Business School Press.

[7] Boxall, P. and Purcell, J. (2003). Strategy and Human Resource Management. London: Macmillan.

[8] Boxall, P.,and Purcell, J. (2008).Strategy and Human Resources Management. Basingstoke: Palgrave Macmillan.

[9] Colvin,A.(2001). How high performance HR practices and Workforce Utilization affect Managerial Pay. Personnel Psychology.54, pp 908-934.

[10] Cooke, F.,L., Shen, J., and McBride, A. (2005). Outsourcing Human Resource as a Competitive Strategy. Human Resource Management Journal. 44(4), pp 413-432.

[11] Delery, J., and Doty, H. (1996). Modes of theorizing in Strategic Human Resource Management: Tests of universalistic, contingency and configurationally performance predictions. Academy of Management Journal. 39(4), pp 802-835.

[12] Dyer, L. and Reeves, T. (2003). Human resource strategies and firm performance. The International Journal of Human Resource Management. 6(3), pp 650-670.

[13] Guest, D., Michie, J., Sheehan, M., and Conway, N. (2000). Employment Relations, Human Resource Management and Business Performance. London: CIPD.

[14] Guest ,D.(2001).Human Resource Management :When research confronts theory. International Journal of Human Resources Management. 12(7), pp 1092-1106.

[15] Guest, D. Michie, J., Conway, N., and Sheehan, M. (2003). Human resource management and performance. British Journal of Industrial Relations, 4(2), pp 291-314.

[16] Huang,G.,Roy,M.,Ahmed,Z.,Heng,J.,and Lim,J.(2002).Benchmarking the Human Capital Strategies of MNCs in Singapore. Benchmarking. 9 (4), pp 357-373.

[17] Huselid, M. (2005). The impact of human resource management practices on turnover, productivity and corporate financial performance. Academy of Management Journal. 38(3), pp 635-672.

[18] Kenya Association of Manufacturers.(2011). Kenya Association of Manufacturers Directory 2011. Nairobi: Kenya Association of Manufacturers.

[19] Lau,C.,and Ngo,H.(2004).The HR System,Organizational Culture and Product Innovation. International Business Review.13, pp 685-703.

[20] Legge, K. (2005). Human Resource Management Rhetoric and Realities. London: Palgrave Macmillan.

[21] Leung, A. (2003). Different ties for different recruitment practices of entrepreneurial firms at different development phases. Human Resources Management Journal.42(4), pp 303-320.

[22] Oya,E., and Ayse,G.(2006). Relationships Between Human Resource Management Practices, Business Strategy Fit and Firm Performance. Gebze Institute of Technology.Turkey.

[23] Pfeffer, J. (2001). Fighting the war for Talent is Hazardous for your Organization. Stanford: Pearson Education.

[24] Purcell,J.(2001). The Meaning of Strategy in Human Resource Management :A Critical Text.2nd ed., London: Thompson Learning.

[25] Purcell, J., Hutchinson, S., and Kinnie, S. (2003).Understanding the Role and Performance Link: Unlocking the Black Box. London: CIPD.

[26] Purcell, J., and Hutchinson, S. (2007). Frontline managers as agents in the HRM-performance causal chain: theory analysis and evidence. Human Resource Management Journal. 17(1), pp 3-20.

[27] Redman, T., &Wilkinson, A. (2006). Contemporary Human Resource Management: Texts and Cases. eds., Harlow: Pearson Education.

[28] Robinson,R.,Pearce,J., and Mital, A.(2008). Strategic Management: Formulation, Implementation and Control. New Delhi; McGraw Hill Education.

[29] Rutherfold,M., Buller P., and McMillan, P.(2003). Human resource management over the life cycle of small to medium-sized firms. Human Resource Management Journal. 23 (8), pp 769-780.

[30] Sanz-Valle, R., Sabater-Sanchez,R., and Aragon–Sanchez, A. (2000). A human resource management and business strategy links: an empirical study. International Journal of Human Resource Management. 10(4), pp 655-671.

[31] Scholes, K., and Johnson, G. (2007). Explaining Corporate Strategy. Hempstead: Prentice Hall.

[32] Schuler,S.,Dolan,S., and Jackson,S.(2001).Introduction. International Journal of Manpower.22,pp 195-197.

[33] Storey, J., and Sisson, K. (2000). The Realities of Human Resources Management. Milton Keynes: Open University Press.

[34] Storey, J. (2007). Human Resource Management: A Critical Text. 3rd ed., London: Thomson.

[35] Ulrich , D., and Brockbank, W.(2005).The Human Resources Value Proposition. Boston: Harvard Business School Press.

[36] Werber,J.,and DeMarie,S.(2005).Aligning Strategic HRM and Person-Environment Fit.Human Resource Review,15,242-262.

[37] Wright, P., Gardner, T., Moynihan, L., and Allen, M.(2005). The relationship between HR practices and firm performance: examining causal order. Personnel Psychology Journal. 58(2), pp 409-446.

[38] Youndt,M.,Subramaniam,M.,and Snell,S.(2004).Intellectual Capital Profiles. An Examination of Investments and Returns. Journal of Management Studies.41 (2), pp 335-361.