

INFLUENCE OF EMPLOYEE RESOURCING AND DEVELOPMENT STRATEGIES ON PERFORMANCE OF KIBOS SUGAR AND ALLIED LIMITED, KENYA

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Abstract

The objective of this study was to investigate the influence of employee resourcing and development strategies on the performance of Kibos Sugar and Allied Limited. This study adopted a case study research design. It targeted 250 employees of Kibos Sugar and Allied Limited. It used stratified random sampling technique to derive a sample size of 75 respondents. Data was collected by use of questionnaires. Data collected was sorted by checking for completeness of the questionnaires, scored then coded and tabulated using excels worksheet. Analysis was done using descriptive statistics such as the mean, standard deviation, frequency distribution and percentages. The presentation of data from this study was in terms of figures using bar graph, percentages and tables. The study revealed that employee resourcing strategy and human resource development strategy all had significant positive relationship with performance of Kibos Sugar and Allied Limited. The study concluded employee resourcing strategy and human resource development strategy all have a significant influence on the performance of Kibos Sugar and Allied Limited. Therefore, the study recommends that Kibos Sugar and Allied Limited should adopt the aforementioned strategies.

Keywords: *Employee Resourcing Strategy, Human Resource Development Strategy, Organizational Performance*

1.1 Introduction

Strategy is a business approach to a set of competitive moves that are designed to generate a successful outcome (Kelley, 2009). Strategy is about building sustainable competitive advantage that in turn creates above-average overall organizational performance.

According to Campbell, McCloy, Oppler and Sager (1993) performance is ‘something that people actually do and can be observed, it is not the consequence or result of action, it is the action itself’. Traditionally performance has been interpreted as measurable outputs, the achievement of which is dependent on the skill and effort which the individual brings to the job. However, within a knowledge and/or service economy, effective performance relies at least as much how a task is carried out, or contextual performance, as on the ability to perform that task (task performance), particularly in distinguishing the excellent from the merely good. These challenges traditional notions of resourcing which focus on understanding the job and therefore specifying the skills required to perform it. Where roles are ill defined or changing, specialist skills and knowledge need to be balanced by the personal attributes of the job holder: style becomes as important as substance.

Therefore, being able to identify what ‘a job’ entails what skills are needed, how best they should be deployed and what successful performance would look like is less open to scrutiny or definition. Where performance is dependent on the application of knowledge, rather than simply its possession, identifying ‘thinking skills’ and the range of softer skills or competencies required to apply that understanding presents a challenge. For example, the ability to interact effectively within multidisciplinary teams, to communicate, solve problems or to relate to others, or to persist in the face of adversity may relate more significantly to effective performance than simple expertise. This challenge of what performance is and how to measure it is further exacerbated when thinking about future performance, either for recruitment and selection purposes or for developmental purposes or merely in a rapidly changing environment. It is against this background that the interest in competency frameworks has developed (CIPD, 2008).

In Kenya, owing to increasing awareness and an acknowledgement that the private sector is better positioned to understand, empathize and articulate the needs and aspirations of the more vulnerable proportion of the population and have demonstrated ability to reach poor people, work in inaccessible areas, innovate, or in other ways achieve things better than by official agencies. They bridge the gap between government and the community and are essential in organizing poor people, taking collective action, fighting for their rights, and representing the interests of their members in dialogue with the government. Private sectors are better at facilitating the supply of inputs into the management process, mediating between people and the wider political party, networking, information dissemination and policy reform (Shah, 2005). Thus, they have increasingly assumed prominence as major development partners whose activities greatly complement the efforts of government (Stephenson, 2005). In essence private sectors have served as the major conduit for disseminating western aid, for instance, the US government channels about 40% of its aid programs through private sectors to Africa. Together, the private sectors operating in Africa account for the distribution of between 10% and 20% of all aid transferred to Africa (Joke, 2006).

CIDP Linkages with Kenya Vision 2030 and Medium-Term Plans Sessional Paper Number 10 of 2012 on Kenya Vision 2030 is the National Policy Economic Blueprint that entrenches Kenya Vision 2030 as the long-term development strategy for Kenya. The Kenya Vision 2030 aims to transform Kenya into a modern, globally competitive, middle income country providing a high quality of life to all its citizens. Kenya Vision 2030 is a product of highly participatory, consultative and inclusive stakeholder’s process conducted throughout the country and in all sectors of the economy.

As a private sector organization, Kibos Sugar and Allied Limited has a mission to be committed to sustainable business practices; deliver world class quality to customers; nurture a global work culture; and builds a financially strong, growth-oriented company that creates value for its stakeholders. Its vision is to put farmers first. It values its customers, encourage ideas, innovation, excellence, enterprise and teamwork in employees, leverage world class technology, aspire to be learning organization, have built a work culture based on merit, integrity, transparency and inclusiveness, behave responsibly as a global corporate citizen. It is on this background that this study seeks to establish the influence of strategic human resource management on the performance of private organizations in Kenya.

1.2 Statement of the Research Problem

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives.

Employee resourcing strategies exist to provide the people and skills required to support the business strategy (Armstrong, 2012). Employee resourcing strategies and policies impact on organizational effectiveness through their effect on individual and group performance (Walker, 2007). According to Ngui, Elegwa and Gichunga (2014) employee resourcing strategy has moderate positive correlation between resourcing and performance of banks. Focusing on the recruitment trend of Kibos sugar and Allied Limited, which is based on more of internal recruitment than external recruitment, the organization's selection process tends to focus on the number of years one has been part of the organization rather than actual skills and capabilities that an individual may be having. This study found out whether employee resourcing strategy has any influence on the performance of Kibos Sugar and Allied Limited.

Employee training and development is an important determinant of organizational performance. According to Hollenbeck, Gerhart and Wright (2006) employee development is a key contributor to a business strategy based on developing intellectual capital. Kalu and Akinyokun (2005) asserted that when employees are developed, they feel motivated to perform hence high profits to the firm. Based on the level of development of employees at Kibos Sugar and Allied Limited, as a manufacturing company the organization faces skill deficit and task execution problem due to lack of self directed learning to make work easier thus hindering employee career advancement and progression. This study found out whether human resource development strategy has any influence on the performance of Kibos Sugar and Allied Limited.

1.3 Objectives of the study

1. To assess the influence of employee resourcing strategy on the performance of Kibos Sugar and Allied Limited.
2. To examine the influence of human resource development strategy on the performance of Kibos Sugar and Allied Limited.

1.4 Research Questions

1. What is the influence of employee resourcing strategy on the performance of Kibos Sugar and Allied Limited?
2. What is the influence of human resource development strategy on the performance of Kibos Sugar and Allied Limited?

1.5 Scope of the Study

This study was conducted among top management and employees of Kibos Sugar and Allied Limited Headquarter Offices at Kibos in Kisumu County.

2.0 LITERATURE REVIEW

2.1 Theoretical Framework

The researcher adopted two theories that guided the study;

2.1.1 The Resource Based View (RBV)

This theory was relevant to the study as it focuses on the resources and capabilities controlled by a firm in achieving organizational performance.

2.1.2 Universalistic Approach (Internal or Horizontal Fit)

This theory was relevant to the study as it hypothesizes that a particular set of HR practises are better than others and organizations could adopt these best practices to achieve organizational performance.

2.2 Conceptual Framework

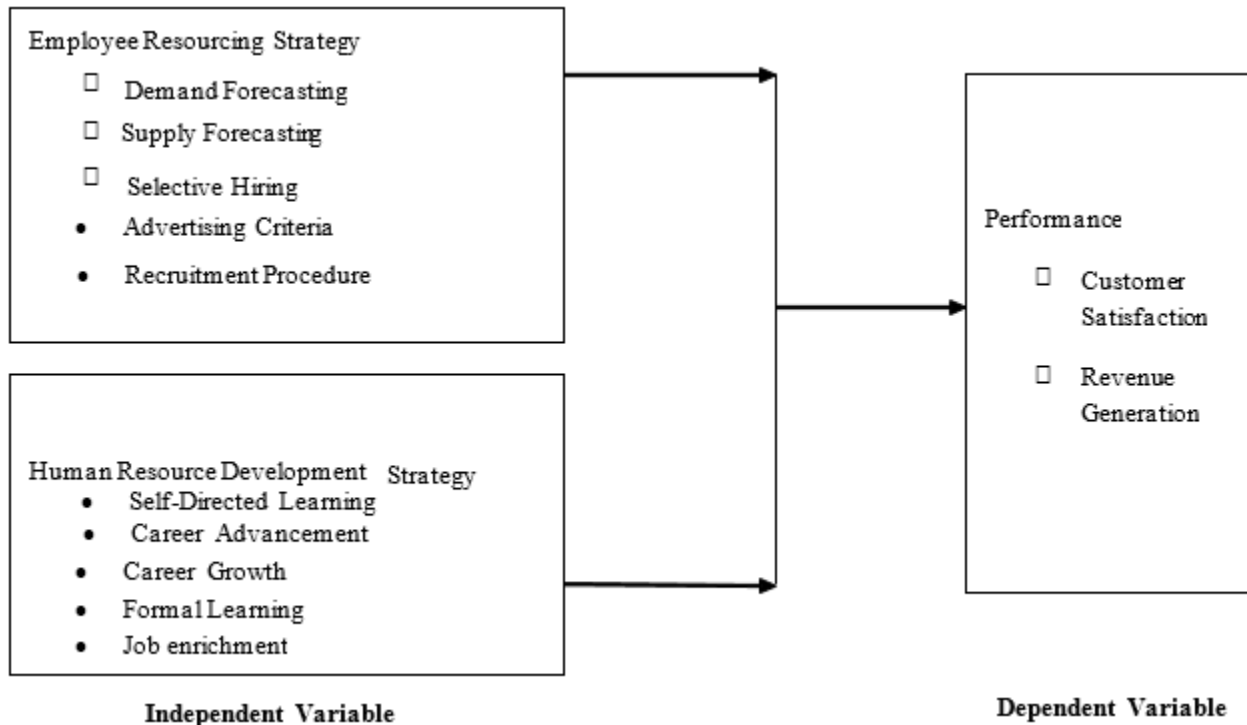


Figure 2.1: Conceptual Framework

3.0 RESEARCH METHODOLOGY

The researcher used case study design to investigate and establish the influence of strategic human resource management on organizational performance. According to Yin (2013), a case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context especially when the boundaries between phenomenon and context are not clearly evident and in which multiple sources of evidence are used. The study population was based on top management, middle leveled and subordinates across all the departments in the organization. The study was carried out in Kisumu at the Kibos Sugar and Allied Limited which has a total population of 250 employees (Human Resource Department). This location was purposely sampled because of its accessibility to the researcher. The researcher relied upon a sampling frame of 100 employees to represent all of the elements of the population of interest from which the sample population was drawn.

A total of 75 respondents were used which is 30% of the target population. According to Mugenda and Mugenda 2003, when the study population is less than 10,000, a sample size of between 10 and 30% is a good representation of the target population and hence the 30% is adequate for analysis. Therefore, 6 Top Management (20 x 0.3), 18 Middle leveled (60 x 0.3) and 51 other employees (170 x 0.3) were considered making a larger population of 75 respondents. The researcher used stratified random sampling technique because of the cadre levels in terms of top management, middle leveled and other employees to draw the 75

respondents. Stratified random sampling classifies elements in the target population into separate groups, or strata, on the basis of characteristics associated with the variable being studied (Namusonge, 2010). Data was collected from primary source. The main data collection tool in this study was questionnaires which were administered to all the 75 respondents.

Before analysis, the collected data was sorted by checking for completeness of the questionnaires, scored then coded and tabulated using excel worksheet. Analysis was done using descriptive statistics such as the mean to establish the measure of central tendency, standard deviation to establish the measure of dispersion, frequency distribution and percentages. Correlation analysis was used to measure the relationship between the independent and dependent variables. Further the researcher conducted analysis of variance to establish the differences among group means in the study sample.

4.0 RESEARCH FINDINGS AND DISCUSSION

4.1 Influence of Employee Resourcing Strategy on the Performance of Kibos Sugar Limited

Various items were developed and participants asked to state in likert scale ranging from 1 to 5(1= Strongly Disagree, 2= Disagree, 3 = Neutral, 4= Agree, and 5= Strongly Agree) how much they agreed with the statements.

According to the results in Table 4.1, the study established that on average the respondents disagreed with the employee resourcing strategy adopted by Kibos Sugar and Allied Limited given that the composite M (2.47) and SD (.486). With less than 1 SD, it means that the responses are clustered around the score of 2.27. The results indicated that the organization does not only put into consideration external recruitment but also internal recruitment to tap good skills within the organization, this had the greatest influence in defining and determining the employee resourcing strategy at Kibos Sugar and Allied Limited (M = 3.06, SD = 1.329) followed by employee selection techniques and procedure instruments being always validated before use (M = 2.58, SD = .821). In addition, the organization has an effective criteria of advertising vacant position and selecting qualified applicants for the various vacancies which also had a significant impact on the performance of Kibos Sugar and Allied Limited (M = 2.53, SD = 1.352). Nonetheless, the participants disagreed with various aspects relating to employee resourcing strategy since all the means apart from considering external and internal recruitment were < 3. The interpretation here is that Kibos Sugar and Allied Limited does not incorporate aspects of employee resourcing strategy as noted by the respondents, which could be the reason for the performance of the company in relation to other sugar companies.

Table 4.1: Descriptive Statistics on the Employee Resourcing Strategy, Kibos Sugar Ltd

Statement	N	Min	Max	Mean	SD
Demand forecasting is key in determining the human resource needs within the organization	62	1	5	2.00	1.040
Supply forecasting has enabled the organization to have an appropriate pool of relevant skills and knowledge required in the organization	62	1	4	2.18	.933
The organization has an effective criteria of advertising vacant position and selecting qualified applicants for the various vacancies	62	1	5	2.53	1.352

The organization does not only put into consideration external recruitment but also internal recruitment to tap good skills within the organization	62	1	5	3.061.329
Employee selection techniques and procedure instruments are always validated before use	62	1	4	2.58 .821
Average for Employee Resourcing Strategy	62	1	3	2.47 .486

From correlation analysis, Table 4.2, there was a moderate positive relationship ($r = 0.522$) between employee resourcing strategy and performance. This implies that when resourcing strategy is increased, performance of Kibos Sugar and Allied Limited increases. These findings can be compared to those of Mansour (2010) indicating that majority of organisations experience low performance owing to the poor employee resourcing strategies. In another study, Ngui, Elegwa and Gachunga (2014) indicated that with enhanced employee resourcing strategy, it becomes easier for a company to obtain the needed human resource that would push for attaining set targets, goals and aims. Lack of effective employee resourcing strategies as identified by Tanveer, Shaukat, Alvi and Munir (2011) is one of the major reasons behind performance amongst organizations. Werbler and Harris (2009) further noted that just like any other resources, human resources are essential when it comes to organisation performances. Therefore, in line of the aforementioned findings, the study has confirmed that employee resourcing strategy has a role in defining and determining the performances of Kibos Sugar and Allied Limited as well as other similar organizations.

Table 4.2: Correlation between Employee Resourcing Strategy and Performance

		Performance of Kibos Sugar Ltd
	Pearson Correlation	.522**
Employee Resourcing Strategy	Sig. (2-tailed)	.000
	N	62

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

Source: SPSS Output

4.2 Influence of Human Resource Development Strategy on the Performance of Kibos Sugar and Allied Limited

In order to measure human resource development strategy, the study, in conjunction with reviewed literature, identified a number of statements. Respondents were then asked to state how much they agreed with such statements in a likert scale ranging from 1 to 5 (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree).

With a composite mean of 2.60 and SD of .433 as illustrated in Table 4.3, the study established that on average the respondents were indifferent on the statements concerning human resource development strategy as practiced within Kibos Sugar and Allied Limited. From the means of specific items, the study established that the amount of employee learning in the organization is sufficient ($M = 2.69$, $SD = .951$) which had the greatest influence on the performance followed by employees usually go through learning programs every few years ($M = 2.68$, $SD = 1.098$) and then by formal learning programs are in place to teach new employees the skills they need to perform their job ($M = 2.61$, $SD = 1.046$). These items had their means greater than the composite mean. Nonetheless, apart from employees having over the years risen in ranks ($M = 2.45$, $SD = 1.263$), the rest of the items have means that are 3 when rounded off to the nearest whole number implying that participants were indifferent concerning the strategies as adopted by Kibos Sugar and Allied Limited.

Table 4.3: Descriptive Statistics on Human Resource Development Strategy

	N	Min	Max	Mean	SD
The amount of employee learning in the organization is sufficient	62	1	5	2.69	.951
Employees usually go through learning programs every few years	62	1	5	2.68	1.098
Formal learning programs are in place to teach new employees the skills they need to perform their job	62	1	5	2.61	1.046
There is room in terms of career growth for employees in the organization	62	1	5	2.58	1.222
Employees have over the years risen in ranks	62	1	5	2.45	1.263
Average Human Resource Development Strategy	62	1	3	2.60	.433
Valid N (listwise)	62				

From correlation analysis, Table 4.4, the results, $r = .545 > .5$ indicated that there was a moderate positive correlation between human resource development strategy and performance of Kibos Sugar and Allied Limited. This implies that when human resource development strategy is increased, performance of Kibos Sugar and Allied Limited increases. Findings of this study corroborate those of Mushtaq and Naeem (2013) establishing a positive relationship between human resource development strategies and performance of organisations. In their findings, Rabah (2011) indicated that human resource development is about training and equipping employees with the needed skills, expertise, and experience, which make them better at their jobs. The implication in this case is likely to be improved productivity and performances of the company. The findings by Onyango and Wanyoike (2014) also indicated that in-job training, which is one of the human resource development strategies ensures that employees are able to perform their duties as expected. The result is improving productivity as well as performances of the company. In a similar manner both Ombui, Kagiri and Amoke (2014) and Kalu and Akinyokun (2005) also indicated that formal learning programs used in the development of employees provide the needed skills and expertise. Such skills and expertise are important towards improving on individual productivity; hence, translating into the overall productivity of the company in question. Therefore, while confirming previous findings, the present study has established a statistically significant positive correlation between human resource development strategies and performances of Kibos Sugar and Allied Limited.

Table 4.4: Correlations between Human Resource Development Strategy and Performance

Human Resource Development Strategy	Pearson Correlation	Performance of Kibos Sugar and Allied Limited
	.545**	
	Sig. (2-tailed)	.000
	N	62

** Significant at 5% significance level

Source: SPSS Output

4.8 ANOVA for difference among group means

The study further conducted ANOVA to help in analysing the differences among group means and their associated procedures (such as "variation" among and between groups) for the performance of Kibos Sugar

and Allied Limited, employee resourcing strategies and human resource development strategy. Table 4.5 provides the summary of ANOVA.

Table 4.5: ANOVA for difference among group means

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6.970	4	1.742	17.169	.000 ^b
	Residual	5.785	57	.101		
	Total	12.754	61			

a. Dependent Variable: Performance of Kibos Sugar and Allied Limited

b. Predictors: (Constant), Employee Resourcing and Human Resource Development

The ANOVA shows at 5% significance level there is a statistically significant positive relationship between employee resourcing and development strategies and performance of Kibos Sugar and Allied Limited ($F_{4, 57} = 17.168, p < 0.05$). In this case, the present study has established that the identified variables are good predictors of performance of Kibos Sugar and Allied Limited ($F_{4, 57} = 17.168, p < 0.05$).

In order to establish how each of the independent variables affected the dependent variable, the study established the various coefficients. Table 4.6 summarizes the coefficients of each of the independent variable:

Table 4.6: Estimated Co-efficient for the Variables in the Proposed Model

Model	Un-standardized Coefficients	Standardized Coefficients		T	Sig.	95% Confidence Interval for B		Collinearity Statistics		
		B	Std. Error			Beta	Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	.175	.387		.451	.653	-.600	.950		
	Employee Resourcing Strategy	.470	.093	.500	5.037	.000	.283	.657	.807	1.238
	Human Resource Development Strategy	.461	.097	.437	4.737	.000	.266	.656	.934	1.071

Dependent Variable: Performance of Kibos Sugar and Allied Limited

Source: SPSS Output

In respect to the influence of performance of Kibos Sugar and Allied Limited, the information from Table 4.6 can be summarized as in equation below.

$$Y = 0.175 + 0.500X_1 - 0.024X_2 + 0.219X_3 + 0.437X_4$$

Based on the results presented above, the study has established that there is a statistically significant positive relationship between the strategic human resource management practices and performance of Kibos Sugar and Allied Limited. On the basis of the betas of the coefficients, the study has established that, employee resourcing strategy make the greatest contribution ($\beta_4 = 0.500, p = 0.000$) followed by human resource development strategy ($\beta_1 = 0.437, p = 0.000$), which are all statistically significant at 5% level of significance owing to the fact that the p values $< .05$.

The present findings are congruent to the study conducted by Njanja, Maina and Njagi (2013) which established that strategic human resource management practices play a significant positive effect on performance of organisations. While investigating aspects of strategic human resource management practices Ombui, Kagiri and Amoke (2014) established a statistically significant positive relationship between human resource management strategies including development, resourcing, and reward on the performance of organisations. According to the researchers, strategic human resource management practices are essential in finding out how the productive employees are with respect to meeting set deadlines, goals, and objectives. With similar findings Aslam, Ghaffar, Talha and Mushtaq (2015) indicated that human resource management practices act like motivators towards meeting organisation objectives; hence, achieving better performance.

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

In summary, past research has provided extensive data on the positive relationship between strategic human resource management strategies and organizational performance in an effort to show a positive influence of HR strategies. Strategic human resource management is a very important part of human resource management. The focus of it is both on development aspects of individual and organization performance. The approach of strategic human resource management strategies is positive. In present highly competitive environment, a high degree of skill and commitment is needed to understand the environment and perform accordingly. Everybody is benefited by actions of strategic human resource management practices. It is possible to get all employees to reconcile personal goals with organization goals. One can increase productivity and profitability for any organization and that leads to progress of the organization. It can be applied by organizations or a single department or section inside an organization. All strategic human resource management strategies such as (employee resourcing, employee relation, reward management and human resource development) are found to be significantly related with organization performance. So we conclude that these strategies play a vital role in organization performance.

5.2 Recommendations

Based on the findings and conclusions, the study recommends the following:

It is very clear that employee resourcing is a key element when it comes to organization performance. It is therefore paramount for organizations to a well elaborate procedure on employee resourcing to ensure that they are able to attract and hire employees who are qualified and competent so as to be able to meet there targets hence high performance of an organization. Kibos Sugar and Allied Limited should come up with an elaborate employee resourcing procedure to ensure that they are able to attract competent and qualified staff.

Human resource development strategy is another crucial aspect that would ensure an organization is able to meets its targets. It is through this strategy that an organization will ensure its employees are well adverse with new developments in their area of operation hence by large an organization will be able to meet its clients' needs and maximize on revenues. Kibos Sugar and Allied Limited should also come up with human resource development strategy that would ensure her employees advance upwards career wise. This would ensure that the employees remain relevant within their career paths and would in the end ensure the organization generate more revenue.

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