THE EFFECT OF ADOPTING STRATEGIC HUMAN RESOURCE MANAGEMENT PRACTICES ON ORGANIZATIONAL DEVELOPMENT: A CASE STUDY OF UNIVERSITY OF NAIROBI

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ABSTRACT

Human Resources Management is a term increasingly used to refer to the philosophy, policies, procedures and practices related to the management of an organization's employees. The study was motivated to investigate the effect of adopting strategic human resource management practices on organizational development by focusing on the University of Nairobi. The study also sought to find out the effects of adoption of human resource information system, recruitment strategy, training and development strategy and reward strategy on organisational development in the University of Nairobi. The study adopted a descriptive research design. The study population was 94 respondents. The study used a semi structured questionnaire to collect primary data. Quantitative data was analyzed by use of inferential and descriptive statistics while qualitative data was analyzed by use of content analysis. Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables. The study established that training and development strategy was the most significant factor in influencing organizational development, followed by reward strategy, HRIS and recruitment strategy. The study also established that there is a positive relationship between HRIS, recruitment strategy, training and development strategy, recruitment strategy reward strategy and organizational development. In addition the study established that the University of Nairobi was not using human resource information system to facilitate the designing of employee reward systems. This study recommends that the University of Nairobi as well as other public universities should adopt information systems in the designing of employee reward system. The

study also recommends that the University of Nairobi as well as other public universities should use external adverts for job positions either in newspapers or organization website.

Key Words: *Strategy, Change management, Organizational development, Human Resource Planning (HRP), Human Resource Management*

Introduction

How well universities perform their mission and accomplishes their vision and goals of effective service delivery is of paramount concern. Improving administrative capacity and especially, those aspects dealing with human resource offers the most challenge for improving the effectiveness of the Nigerian University System. Human Resource Management (HRM) enhances employee productivity and the ability of universities to achieve their mission (Barney, 2009). Integrating the use of HR practices into the strategic planning process would enable universities to better achieve their goals and objectives. The most successful public universities will be the ones which can attract, develop and retain individuals who have the ability to manage a global organization that is responsive to customers and the opportunities being presented by technology. There are many challenges that hinder effective strategic human resources management practices in organizations and if they are not urgently addressed it can lead to poor employee relations and failure for the organization to achieve its goals (Pickard, 2006).

Statement of the Problem

Developing an effective human resource system that is compatible with institutions strategy is critical for the functioning and success of an organization in the competitive business arena (Macaleer & Shannon, 2003). Indeed, the increasing complexity of contemporary corporate life has elevated the need for new mindsets, proactive attitudes and professional identities, orientations attained through utilization of human resources (Rimberia, 2001). According to Kibune (2007) human resource management practices influence the performance of 90% of public institutions in Kenya. In addition, Magiri (2007) indicates that 76% of public Universities were experiencing challenges related to human resource management practices. Public University in Kenya focuses on the administrative aspects of the human resource function, due to difficulties they face on the integration of human resource practices to institutional goals (Oladipo & Abdulkadir, 2010). As a result, they ignore the long term perspective of Human resource planning and set their sights too low, ending up with practices that are human resource too functional, too operational, too narrow and too generic failing to achieve competitiveness through staff and often fade away or are replaced before they achieve any real impact (Ojo, 2006). According to Okpara & Pamela (2008), there are significant risks including recruiting the unqualified staff, inadequately training and developing them, losing them prematurely,

developing ineffective or misguided motivation structures and failing to consider future human resources capability needs.

According Ulrich (2008), human resources managers in Public universities in Kenya are facing difficult challenges due to lack of strategic approaches to human resource management and lack of human resources competencies. For example, ad-hoc nature of human resources management policies and practices of University of Nairobi has contributed significantly to the job hopping phenomenon (Osman-Gani, 2005). Critical aspects of training and development such as evaluation of training programs, training needs analysis and cost-benefit analysis have been neglected. Waweru, (2008) indicated that failure to train staff, adopt effective recruitment process and motivate staff affects employee's performance leading to poor service delivery in the University of Nairobi. The staff workload had been exceeding their capacity; lack of effective promotion systems in the University of Nairobi .This has been attributed to failure by the university management to strategic implement strategically human resources.

Rimberia (2001) did a study on the Use of Flexible Human Resource Practices by Manufacturing Firms in Nairobi and found that through strategic human resources practices such as human resources planning the firm attained high financial performance. Other studies (Kibune, 2007) all dealt with Strategic Human Resources management as key to the success of the organization in many aspects such as productivity, profitability, future focus and image. However, none of these studies sought to establish the extent of adoption of strategic Human Resources practices. This study will therefore seek to investigate the effect of adopting strategic human resource management practices on organizational development by focusing on the University of Nairobi.

Objectives of the Study
General Objective of the study
The main objective of this study was to investigate the effect of adopting strategic human resource management practices on organizational development by focusing on the University of Nairobi.

Specific Objectives
The study was guided by the following objectives:

1. To find out the effects of adoption of human resource information system on the organisational development of the University of Nairobi

2. To establish whether recruitment strategy influences organizational development in the University of Nairobi

3. To determine the effects of training and development strategy on organizational development in the University of Nairobi

4. To establish the effects of reward strategy on organisational development in the University of Nairobi

Limitations of the study

The main limitation of study was inability to include more public higher learning institutions. This study only focused on a case study of University of Nairobi. The study had covered more institutions across all public sectors so as to provide a more broad based analysis. However, resource constraints placed this limitation. The study was also faced with challenges of time resources limiting the study from collecting information for the study particularly where the respondent delay in filling the questionnaire and travelling for collection the filled questionnaire. The study also faced challenges of the respondent's commitment in offering the information for the study. The respondents were uncooperative because of the sensitivity of the information required for the study. The researcher however explained to the respondents that the information they provided would be held confidential and would be used only for academic purpose only.

Literature Review
Theoretical Framework

This study made use of stewardship theory, technology acceptance model, Critical Factor Theory and social learning theory. The stewardship theory, also known as the stakeholders' theory, adopts a different approach from the agency theory. It starts from the premise that organizations serve a broader social purpose than just maximizing the wealth of shareholders (Kibune, 2007). The stakeholders' theory holds that corporations are social entities that affect the welfare of many stakeholders where stakeholders are groups or individuals that interact with a firm and that affect or are affected by the achievement of the firm's objectives (Legge, 2005). Successful organizations are judged by their ability to add value for all their stakeholders. Some scholars consider the natural environment to be a key stakeholder (McHugh & Brennan, 2001; Legge, 2005).

On the other hand, the technology acceptance model specifies the causal relationships between system design features, perceived usefulness, perceived ease of use, attitude toward using, and actual usage behaviour (Kidombo, 2004). Overall, the TAM provides an informative representation of the mechanisms by which design choices influence user acceptance, and should therefore be helpful in applied contexts for forecasting and evaluating user acceptance of information technology (McHugh & Brennan, 2001; Legge, 2005). Some authors have considered additional relationships. Some have ignored intention to use or attitude and instead studied the effect of ease of use or usefulness directly on usage. Findings about the effects of attitude and intention have not always been significant. Hence, to maintain instrument brevity and permit the study of the antecedents of ease of use and usefulness, the current research

similarly studied the direct effect of ease of use and usefulness on usage (Saunders, Lewis &Thornhill, 2007).

The social learning theory proposed by Albert Bandura in collaboration with his first doctoral student, Richard Walters, has become perhaps the most influential theory of learning and development. While rooted in many of the basic concepts of traditional learning theory, Bandura believed that direct reinforcement could not account for all types of learning. There are three core concepts at the heart of social learning theory (Arthur et al., 2003). First is the idea that people can learn through observation. Next idea is internal mental states are an essential part of this process. Lastly, even though something has been learned, it does not mean that it will result in a change in behavior (Grossman & Salas, 2011)

Expectancy theory is of the view that behavior is a result of deliberate and conscious choices that are made by the employee (Geoff & Druker 2005). The choices that the employee makes are from a myriad of alternatives. The aim is to maximize on pleasure, or gains, while mitigating the likelihood of pain. The performance of the employee is determined by his personality, skills, knowledge, experience and abilities. This theory has three variables. These are valence (V), expectancy (E) and instrumentality (I) (Lloyd 2008). These variables lead to the concepts that underlie this theory:

Adoption of Human Resource Information Systems

Human Resource Information Systems (HRIS) have been used in HR departments for many years, but more recently their use has changed to that of playing a more strategic role to support HR workers, in particular HR managers (McHugh & Brennan, 2001). The job contents and the expectations from HR managers have changed over the last a few years, with functional and strategic pressures ever growing on them (Ulrich, 2008). Economic pressures have resulted in structural changes taking place within organizations (Walker, 2009). The historical image of the HR role was not a job that nobody wanted nor had the expertise to do. Senior managers used HR managers to smoothen the turbulence of organizational change, leaving them free to get on with the strategic work of the organization (Som, 2008). The role of the HR manager had gained status in organizations compared to previous years. HR activities have been classified both in terms of added value and uniqueness.

Recruitment strategy

Higher education institutions (HEIs) throughout the world are facing multiple expectations as to how they should respond to a rapidly changing environment. Deregulation and increased competition within the public sector and between public and private providers are creating a more market-like environment, which influences how universities and colleges profile

themselves and compete for students (Rynes, 2001). For HEIs in this situation, excellence and diversity are key issues for consideration when developing their institutional profile. In addition to having sufficient staff to meet customer demands, an organization needs also to have the right people in the right positions. An organization runs more smoothly and more effectively when they look for specific qualities in potential employees during the recruitment process. Starting out with the best candidates, an organization then should be on the lookout for staff members that can promote cross-train and develop the organization. Staff development helps to keep retention rates high and save money on hiring and newcomer training (Kirnan, Farley & Geisinger, 2004).

Training and development strategy

Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce. Nowadays training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization (Arthur et al., 2003). The employee performance depends on various factors. But the most important factor of employee performance is training. Training is important to enhance the capabilities of employees. The employees who have more on the job experience have better performance because there is an increase in the both skills & competencies because of more on the job experience. Training also has impact on the return on investment (Devins & Johnson, 2003).

Reward strategy

A company aiming to succeed over the fierce competitiveness in todays business-scape needs to accomplish it through creating competencies that are hard to replicate. Some companies have successfully excelled at utilizing their employees to create a differentiation in their operations. Theories support that employee motivational level is a closely associated and influencing factor on organizational performance (Gellman, 2009). High motivation is associated with greater levels of employee retention, less absenteeism, innovation and achievement orientation. Theories of motivation indicate that extrinsic factors such as company reward system play a crucial role in managing the workforce motivation. Therefore, managing the reward system effectively within an organization becomes critical for ensuring achievement of overall organizational goals.

Conceptual Framework

Independent variables   *Dependent variable*
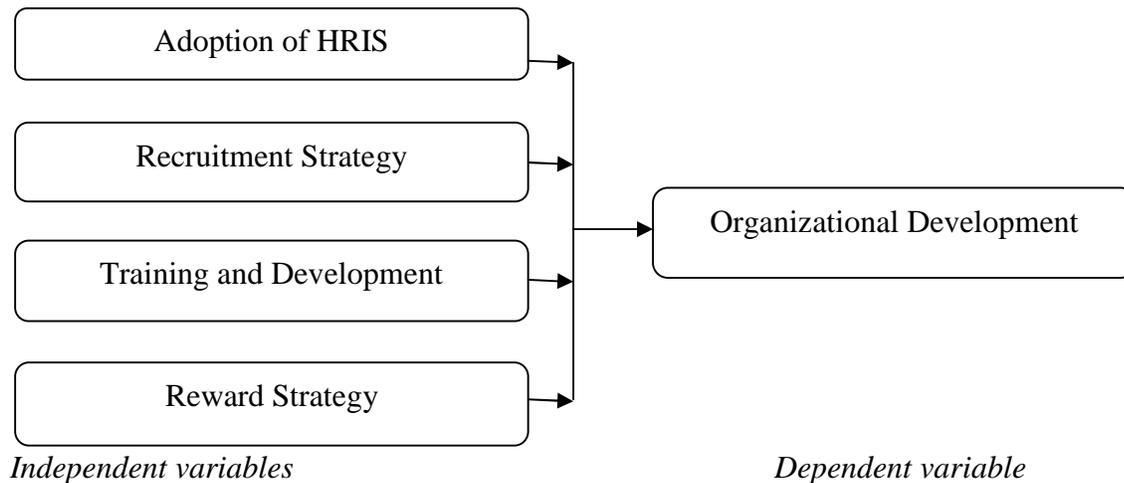
Figure 1: Conceptual Framework

Research Design and Methodology

The study adopted descriptive research design. Kothari (2004) defines a research design as the arrangement of conditions for collection and analysis of data, bringing together the relationship and rationale of the study as a means to achieve the research objectives using empirical evidence obtained economically. The target population was 94 individuals working as principals, administrators and Human Resources Department in the University of Nairobi. Since the target population of this study was small, population census was used. A census is the procedure of systematically acquiring and recording information about the members of a given population. The study used a semi structured questionnaire to collect primary data. The questionnaire was administered through drop and pick or by personal administration depending on which method is convenient to the specific respondents.

Descriptive statistics such as means, standard deviation and frequency distribution were used to analyze the data. Data presentation was done by the use of pie charts, bar charts and graphs, percentages and frequency tables. The collected data was analyzed using both quantitative and qualitative techniques. Quantitative techniques were used to analyze the closed-ended questions by use of SPSS. Qualitative techniques were used to analyze the open-ended questions. Content analysis was used to categorize common answers according to their commonality (Kothari, 2004). Inferential statistics like correlation were carried out to establish the relationship between the independent and the dependent variables.

Research Findings and Discussion
Human Resource Information Systems

The study revealed that the Human Resources Department in the University of Nairobi had adopted HRIS. Human Resource Information Systems (HRIS) has been used in HR departments for many years, but more recently their use has changed to that of playing a more strategic role to support HR workers, in particular HR managers. The study also found that HRIS was supporting human resources department workers in the University of Nairobi. These findings agree Som (2008) argument that senior managers use HR managers to smoothen the turbulence of organizational change, leaving them free to get on with the strategic work of the organization. Further, the adoption of information technology in the human resource department led to an improvement in the organizations recruitment strategy as well as an improvement in communications and employee reward systems.

Recruitment Strategy

The study also established that the recruitment in the University of Nairobi was moderate. Having sufficient staff to meet customer demands, an organization needs also to have the right people in the right positions and hence its recruitment strategy should be good. The study also found that the University of Nairobi clearly defines everyone's job before recruitment; maintains transparency throughout the selection process; does internal job adverts of job positions on the company websites and internal notice boards. However, the study found that the University of Nairobi did not do external adverts for job positions either in newspapers or organization website. The study also found that recruitment in the University of Nairobi helps in hiring the most competent applicants and the firms' performance can be significantly enhanced. In addition, the recruitment process helps to assess the applicants' suitability for the position. Further, the recruitment processes should be based on a thorough needs analysis of the organization.

Training and Development Strategy

The study also found that the University of Nairobi was offering training to its employees. Nowadays, training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. In addition, the University of Nairobi was offering training to its employees once in an year. The sudy also established that the training offered by the University of Nairobi was good. These findings agree with Devins & Johnson (2003) argument that the more intense the training the higher the organizations development. In addition, the University of Nairobi was not conducting a needs analysis before training. According to Smith (2006) the design of the training should be according to the needs of the employees. Those organizations which develop a good training

design according to the need of the employees as well as to the organization always get good results.

Reward Strategy

The study further established that the University of Nairobi was offering bonuses to its employees. According to Pierce (2007) bonuses can be used to recognize group accomplishments. The study established that the University of Nairobi bonuses were not offered fairly. By rewarding an employee's performance for the previous year, bonus programs tend to encourage short-term perspective rather than future-oriented accomplishments and hence they should the offered fairly. In addition, employees in the University of Nairobi were not well recognized. Employees' recognition influences employees' motivation highly which subsequently influences organizational development. The study also established that reward strategy increased employees' motivation which subsequently led to a higher organizational development. In addition, reward strategy also led to reduced employees turnover and hence an improvement in organizational development. Theories support that employee motivational level is a closely associated and influencing factor on organizational performance. High motivation is associated with greater levels of employee retention, less absenteeism, innovation and achievement orientation.

Correlation Analysis

The analysis of correlation results between human resource information system and organizational development show a positive coefficient 0.58, with p-value of 0.025. It indicates that the result is significant at $\alpha =5\%$. The correlation results between recruitment strategy and organizational development also indicates the same type of result where the correlation coefficient is 0.64 and a p-value of 0.027 which significant at $\alpha = 5\%$. The results also show that there is a positive association between training and development strategy and organizational development where the correlation coefficient is 0.92, with a p-value of 0.020. Further, the results also show that there is a positive association between reward strategy and organizational development where the correlation coefficient is 0.67, with a p-value of 0.020. These findings show that training and development strategy was the most significant factor, followed by reward strategy, HRIS and recruitment strategy.

Table 4.1: Correlation coefficients

		Organizational Development	HRIS	Recruitment strategy	Training and development strategy	Reward strategy
Organizational Development	Pearson Correlation	1				
	Sig. (2-tailed)	.				
HRIS	Pearson Correlation	.58	1			
	Sig. (2-tailed)	.025	.			
Recruitment strategy	Pearson Correlation	.64	.223	1		
	Sig. (2-tailed)	.027	.006	.		
Training and development strategy	Pearson Correlation	.92	.243	.497	1	
	Sig. (2-tailed)	.020	.002	.000	.	
Reward strategy	Pearson Correlation	.67	.383	.421	.265	1
	Sig. (2-tailed)	.024	0.032	0.023	0.021	

Recommendations

This study recommends that:

1. The University of Nairobi as well as other public universities should adopt information systems in the designing of employee reward system.

2. The University of Nairobi as well as other public universities should use external adverts for job positions either in newspapers or organization website.

3. In order for the institution to provide the required training to each and every individual, it should conduct a needs analysis before offering the training.

4. The management of the University of Nairobi should fair in offering bonuses to employees and should ensure that employees are recognized for their good work.

5. Further studies should be conducted on the effect of adopting strategic human resource management practices on organizational development in Public Universities in Kenya.

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