European Journal of Business and Management www.iiste.org
ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online)
Vol.7, No.14, 2015

The Effect of Human Resource Management Practices on Employee Outcomes: A Study of Firms Listed on the Nairobi Securities Exchange

Evans Vidija Sagwa, PhD[1*] Peter K'Obonyo[2] Martin Ogutu[2]
1.School of Business and Management Studies, Technical University of Kenya, Nairobi-Kenya
P. O. Box 52428-00200 Nairobi-Kenya
2.School of Business, University of Nairobi-Kenya P.O. Box 30197-00100 Nairobi-Kenya
*E-mail of corresponding author: vidijasagwa@yahoo.com

Abstract
Most empirical research on the link between Human Resource Management Practices (HRMP) and employee outcomes has concentrated on the private sector, yet understanding this relationship in publicly listed firms, in the Developing World context is equally important. The effect of HRMP on employee outcomes - has not been established amongst Nairobi Securities Exchange (NSE) listed firms, yet theory has demonstrated that HRMP can have an effect on employee outcomes. This study was motivated by the desire to fill this gap in knowledge. The study objective was to assess the relationship between HRMP and employee outcomes. The research design was cross sectional descriptive survey. Data was collected using a self-administered questionnaire, from a population of 60 NSE listed firms. The response rate was 36(60%). Descriptive statistics, correlation and regression techniques were used to analyze the data. The results indicate that HRMP have a significant effect on employee outcomes. This study confirms the findings of previous studies that have found a significant link between HRMP and employee outcomes. It was recommended that firms have to ensure that they formulate Human Resource Management Practices that will lead to employee outcomes that can enhance employee commitment, competence and empowerment. This will assist the firms towards attainment and sustenance of superior and competitive advantage in their activities.
Keywords: Human Resource Management Practices (HRMP); Employee Outcomes; Nairobi Securities Exchange (NSE)

1. Introduction

Previous studies indicate that firms that adopt certain HRMP in the implementation of the HR practices, policies and practices tend to achieve superior results compared to their competitors (K'Obonyo, Busienei, & Ogutu, 2013; Kidombo, 2007; Truss, et al., 1998; Guest, 1997). Firms may implement HRMP which impact on employee outcomes like commitment and work attitudes (Huselid, 1995b). Some scholars have argued that more effective bundles of HRMP can transform a firm's human resources into a strategic asset, as a result of the potential for complementarities between HR practices and firm resources (Barney, 1995; McDuffie, 1995; Ulrich & Lake, 1990). According to Pfeffer & Viega (1999) there are seven specific HRMP, these are; employment security, targeted selection, workplace teams and decentralization, high pay contingent on organizational performance, employee training, reduction of status differentials and business information sharing with employees, which collectively lead to higher revenue, profits, market value and even organizational survival rates.

The Resource Based View of the firm (Barney, 1991) indicates that HRM systems can be used to create sustained and competitive advantage. There is strong evidence that supports the RBV (Crook et al., 2008) which indicates that firms compete in an ever changing and dynamic business environment. Organizations can attain and achieve a sustained competitive advantage through their employees according to Barney (1991). This can be realized when a firm has a human resource pool that cannot be imitated or substituted by its rivals or competitors. The RBV as a basis of competitive advantage lies primarily in the application of the bundle of valuable resources at the disposal of the firm. The firm has to identify the key potential resources which should fulfill the criteria of being valuable, rare, in-imitable and non-substitutable by the firms' competitors (Galbreath, 2005) in the area in which the firm operates.

Most of the empirical studies (Youndt et al., 1996; Huselid, 1995b; Delaney & Huselid, 1996 Wan-Jing & Tung, 2005; Pfeffer, 1994; Ulrich, 1997; Delery & Doty, 1996; Guthrie, 2001; Huselid et al., 1997) have shown a positive relationship between HRMP and firm activities. Literature suggests that using HRMP and employee outcomes makes a contribution to enhancement of the internal resources of a firm, yet the variables have not been used in a single study in the Kenyan context known to the researchers. The researchers used the variables in an attempt to explain the influence of HRMP on employee outcomes. Previous studies (Ahmad & Shroeder, 2003; Ichniowski et al., 1997) have been conducted in the West in Europe and America and Asia with no known study on the NSE listed firms in Kenya.

2. Human Resource Management Practices

Human Resource Management Practices refer to a combination of a set or bundle of practices or systems that firms may adopt to manage how the organization handles its most important asset – people, to attain and sustain and inimitable competitive advantage to achieve superior performance. An organization can adopt a set of HRMP that suit its operational requirements. According to Pfeffer (1998) there are seven HRMP that influence firm performance. These HRMP are; employment security, targeted selection, workplace teams and decentralization, high pay contingent on organizational performance, employee training, reduction of status differentials and business information sharing with employees. Firms are increasingly enhancing their abilities towards managing their human resources more effectively for better outcomes (Boxall & Purcell, 2003).

According to Ahmad and Schroeder (2003) sophisticated technologies and innovative manufacturing practices alone can do very little to enhance operational performance unless there are requisite human resource management practices that can be used to form a consistent socio-technical system in a workplace. It has been realized by firms that the human resource function, policies and practices are crucial for the realization of organizational goals.

3. Employee Outcomes

Employee Outcomes are immediate behaviours and work attitudes that result from the management policies and practices of any given firm. Examples of such employee outcomes are competence, employee commitment and empowerment which have an effect on how employees work in an organization. Employees do not bring these key work attitudes and behaviors on entry into a firm. They acquire them in the workplace, through a process of the interaction relationships. Appropriate HRMP, policies, processes and procedures enhance employee outcomes (Luthans, 2008). For this study, competence, commitment and empowerment are conceived as determined by HRMP and predictors of employee outcomes.

Employee outcomes are exhibited in an organization through the competence, commitment and empowerment of employees in the operations that take place in an entity. The human factor plays a crucial role among key resources that an organization has. These resources are, money, man, machine, land and information. The human factor is the only animate of these resources. According to Guest (1997) the distinctive feature about HR is that improved performance is achieved through people in the organization. When the competence of employees is enhanced, their commitment is reinforced, they are empowered and facilitated in decision making; higher output can be realized in the workplace.

Employee outcomes which comprise of competence, commitment and empowerment can have an effect on how employees in an organization work, relate with colleagues and other stakeholders that an organization may deal with. This may in turn affect firm performance. It has often been said that people are the most important asset that any organization can ever have. Employees who have the requisite knowledge, understanding and experience regarding their work are expected to be more effective and efficient. They can be able to take decisions quickly, are easily adaptable to change, such employees have immense ability to serve both internal and external customers. Employee commitment is an outcome that can be enhanced by reconciliation of organizational and employee goals. This helps employees to identify with an organization, with such employees acting in the best interests of the greater good for the organization.

Empowerment of employees in the workplace is an issue that has attracted a lot of concern in all spheres of influence. It may take various forms with the management allowing and facilitating employees to discuss matters that affect them, and involving them in decision making to influence the management of the entity through formal employee-employer machinery.

4. Firms Listed on the Nairobi Securities Exchange

The Nairobi Securities Exchange has 60 listed firms that are divided in ten categories namely, agricultural; commercial and Services; telecommunication and technology; automobiles and accessories; banking; insurance; investment; manufacturing and allied; construction and allied; and energy and allied. The listed firms have to formulate and implement sound practices, including HRMP that can make them to not only attract, but retain, motivate, sustain and make optimum use of a workforce that can make the firms build a sound human resource base. The firms are expected to maintain high standards of accounting, resource management and transparency in the management of business. They are also expected to adhere to strict guidelines in all their dealings and operations as they compete in a dynamic business environment that affects their performance while meeting and exceeding the expectations of their stakeholders. This includes but is not limited to the payment of dividends, expansion of their sales volume, enhancement of their market share, higher levels of productivity and profitability.

The firms that are listed on the Nairobi Securities Exchange play a major role in promoting a culture of thrift or saving in the economy. The government of Kenya is aims to achieve and sustain an annual economic growth rate of 10 % for it to realize the Kenya Vision 2030 (GOK, 2007). The government strengthened the NSE so that it can enhance its role as a robust securities market. The NSE on its part expects the listed firms to enhance their efficiency and competitiveness.

5. Human Resource Management Practices and Employee Outcomes

It is widely recognized that the type of human resource management practices that are adopted by firms may influence employee outcomes in the organization. According to Pfeffer (1998) few firms are able to elicit the hidden power of human resources and bring them into use to become market leaders in their markets. The human resource management practices that are adopted by an organization influence employee outcomes. Where an organization adopts a rigorous recruitment and selection exercise for both internal and external sources of employees, based on competence and merit the employees who are hired are expected to strongly identify themselves with the organization. A firm that encourages team work and provides employees with discretion and resources to make decisions while allowing employees to discuss with the management matters that affect them is bound to achieve its set targets. Employees who are continuously trained and developed are able to develop their capacity to work and take action independently, (Ahmad & Schroeder, 2003; Youndt & Snell, 2004). This helps in reducing work performance cycle times and minimizes the need for employee supervision in the workplace.

Theoretical work supports the assertion that the desire of every firm is to possess not just competent workforce, but satisfied and committed employees as well. Employee commitment, competence and empowerment constitute immediate outcome of HRMP (Guthrie, 2001; Guest, 1997). However, employees do not bring these crucial work attitudes and outcomes on entry, they acquire them in the workplace, these accrue from an exchange process that is enabled trough appropriate HRM practices, policies and processes of the firm (Lin & Chang, 2005). In studies to assess the impact of bundles HRM practices on employee outcomes, (Youndt et al., 1996; McDuffie, 1994; Arthur, 1994; Pfeffer, 1994; Huselid, 1995b; Guest, 1997) found that HRMP are powerful predictors of employee outcomes – trust and organizational commitment. Kidombo (2007) found positive and significant relationship between strategic orientation and different dimensions of organizational commitment. For the purpose of this study the following hypothesis was formulated:

H_1: There is a positive relationship between human resource management practices and employee outcomes.

6. Methodology

After considering the various research designs described by research experts such as, Kerlinger (2002). Coopers & Schindler (2006), and Muganda (2010), as well as the purpose of the study, the positivism philosophical tradition adopted. The research design adopted for this study was a cross-sectional descriptive survey of all the 60 firms listed in Nairobi Securities Exchange as at 10/10/2012. Primary data was collected from informants of the study comprising human resource managers or those handling HR function of the NSE listed firms, because they were expected to be more knowledgeable in the implementation processes of HRMP at their operational areas. The researcher administered the data collection the self-administered questionnaire mainly through drop and pick method. The self-administered questionnaire was preferred because the respondents were expected to be highly literate. Given that the study was seeking for perceived opinion of the respondents regarding the effect of HRMP on employee outcomes, the tool was the most suitable for the purpose.

Instrument validation was achieved through validity and reliability measures. A pre-test was done, on the basis of the pre-test response, the instrument was adjusted appropriately. Validity which indicates whether the instrument is testing what it should was done through examination of content to determine whether it covered a representative sample of the measurement items. Validity can be assessed using expert opinion and informed judgment (Kerlinger, 2002).

The Cronbach Alpha was calculated to test for reliability. The Cronbach's Alpha coefficient was used to measure the internal consistency of measurement scales. This is a scale measurement tool, which is commonly used in social sciences to establish the internal consistency of items or factors within and among variables of study. Nunnally (1967) argues that an alpha coefficient of .700 or above is an acceptable measure. Human Resource Management Practices showed reliability level of 0.891 and 0.765 for employee outcomes which were above the 0.700 measure that was recommended as evidence that the measurement items have a high measure of internal consistency for underlying constructs (Nunnally, 1967). This indicates that the data collected using the above mentioned instruments was reliable for analysis. The tests were conducted using SPSS.

Human Resource Management Practices (Independent Variable) was measured using 5 perceptual measures of 1-5, and was measured using 22 human resource management practices items, rated on a continuum scale. Employee outcomes (Dependent Variable) was measured using 5 perceptual measures of 1-5, and was measured using 10 employee outcomes items, rated on a continuum scale.

7. Results and Analysis

The study used both descriptive and inferential statistics to analyze data from the questionnaires. Simple linear regression analysis was used to establish the nature and magnitude of the relationship between variables and to test hypothesized relationship. The value of coefficient of determination R^2 shows the degree or amount of variation in the dependent variable attributed to the predictor variable. The Beta values show the amount of change in the dependent variable attributable to the amount of change in the predictor variable, and the F ratio measures the model fit, or simply it is a measure of how well the equation line developed fits with observed data. The statistical significance of each hypothesized relationship was interpreted based on R^2, F, t, β and p values. The simple linear regression model used was; $\mathbf{Y = \beta_0 + \beta_1 X_1 + \varepsilon}$, **where,** **Y**= Employee Outcomes (Dependent Variable); β_0 = Intercept; β_1 = Coefficient; $\mathbf{X_1}$ = Human Resource Management Practices (Independent Variable); and, **ε** = Error term.

7.1. Survey Response Rate

The study targeted the 60 firms listed on the Nairobi Securities Exchange. A total of 36(60%) firms responded. This response rate was considered to be appropriate, compared to previous studies done in the same area, Youndt et al., (1996) had 26% and Pfeffer (1998). According to Mugenda & Mugenda (2003), a response rate of 50% or more is considered adequate.

7.2. Demographic Profile of Respondents

The study sought to find out about the designation of the respondents. The study findings in Table 1, indicate that majority 52.8% were human resource managers while 47.2% were from other departments. This indicates that a majority of the respondents were designated as human resource managers to handle the human resource function. Such managers would be expected to have a wealth of knowledge in handling human resource issues.

Table 1: Designation of the Respondents

Designation	Frequency	Percent
Human Resource Manager	19	52.8
Others	17	47.2
Total	**36**	**100**

Source: Research Data (2014)

7.3. Demographic Profiles of Firms

The study sought to establish the distribution of employees in the firms. Each manager was asked to indicate the total number of employees the firm had as at the time of the study. Table 2 shows that 2.8% of the firms had an employee population of up to 100 employees; 2.8% of the employee population ranging between101 – 200; 11.1% of the employees ranging between 201 – 300; 11.1% of the employee between 301 – 400; while 72.2% of the firms employ more than 400 employees. These findings imply that most of listed firms (over 83.3%) had employee population ranging between 301 and above 400. Such large firms would be expected to formulate and implement HRMP for the effective utilization of its human resources as drivers of the activities in the firms.

Table 2: Distribution of Firms by Number of Employees

Number of Employees	Frequency	Percent
Up to 100	1	2.8
101 to 200	1	2.8
201 to 300	4	11.1
301 to 400	4	11.1
Above 400	26	72.2
Total	**36**	**100**

Source: Research Data (2014)

The study sought to establish in Table 3 the classification of the company by ownership. Majority 88.9 % were Kenyan owned while 8.3% were foreign owned and one firm 2.8% was neither Kenyan nor foreign owned. The findings imply that ownership of a listed company may have an influence on human resource management practices and firm performance.

Table 3: Distribution of Firms by Ownership

Classification	Frequency	Percent
Kenyan	32	88.9
Foreign	3	8.3
Other	1	2.8
Total	**36**	**100**

Source: Research Data (2014)

The respondents were asked to indicate the number of years their firms had operated. The number of years of operation was used to measure age. The results in Table 4 show that 2.8% of the firms had operated for less than 10 years; 8.3% had operated for 11-20 years; 2.8% had operated for 21-30 years; 13.9% had operated for 31-40 years; while 72.2% had operated for 40 and above years. Thus, most of the NSE listed firms (97.2%) are well established, having operated for more than 11 years and must have developed appropriate human resource management practices to support management of employment relationship and hence had knowledge about the issues that the researcher was looking for.

Table 4: Distribution of Firm by Age

Years of Operation	Frequency	Percent
Up to 10 Years	1	2.8
11 to 20	3	8.3
21 to 30	1	2.8
31 to 40	5	13.9
Above 40 Years	26	72.2
Total	**36**	**100**

Source: Research Data (2014)

The findings in Table 5 show the distribution of firms according to their listing category on the Nairobi Securities Exchange. Out of the 36 firms that participated in the study, 13.9% were in the Agricultural sector; 8.3% were in the Commercial and Services sector; 5.6% were in the Telecommunication & Technology sector; 8.3% were in the Automobiles and Accessories sector; 22.2 % were in the Banking sector; 2.8% were in the Insurance sector; 2.8% were in the Investment sector; 25% were in the Manufacturing and Allied sector; 2.8% were in the Construction and Allied sector; and 8.3% were in the Energy and Allied sector. Thus, most of the NSE listed firms in Kenya (over 61%) are agricultural, automobiles and accessories, and the manufacturing and allied sectors. These sectors play a crucial role in the Kenyan economy and are major employers in the Kenyan labour market.

Table 5: Distribution of Respondent Firms by Nairobi Securities Exchange Listing

Listing Category	Frequency	Percent
Agricultural	5	13.9
Commercial and Services	3	8.3
Telecommunication & Technology	2	5.6
Automobiles and Accessories	3	8.3
Banking	8	22.2
Insurance	1	2.8
Investment	1	2.8
Manufacturing and Allied	9	25
Construction and Allied	1	2.8
Energy and Allied	3	8.3
Total	**36**	**100**

Source: Research Data (2014)

7.4. Test of the Hypothesis

The objective of the study addressed the relationship between HRMP and employee outcomes. Conceptual and empirical literature supports a positive relationship between HRMP and employee outcomes. Implicitly, most HRM practices are attractive to employees, and have been found to fulfill human needs of workers. Such needs include personal growth and development; job security; recognition and support at work; safe and pleasant and attractive work environment. Other employee needs that are associated with progressive HRM practices include effective employee communication strategies; and employee participation in decision making. These conditions trigger better mental and physical health and a sense of belonging. These feelings enhance satisfaction among employees and elicit a wish to stay longer in the organization.

From literature review, it was anticipated that HRMP would have a relationship with elements of employee outcomes, namely employee commitment, competence and empowerment. Each respondent to the questionnaire was expected to indicate perceived levels of employee competence, committed and empowerment in their respective organizations. Employee outcomes were measured on a scale ranging from 1 to 5, where 1 represented ‘Strongly Disagree’ and 5 represented ‘Strongly Agree.’ On the basis of the foregoing, the hypothesis there is a positive relationship between Human Resource Management Practices and employee outcomes was formulated. The hypothesis suggested a relationship between HRMP and employee outcomes in the Nairobi Securities Exchange listed firms. This hypothesis was tested using linear regression analysis. The results are presented in Table 6.

Table 6: Regression Results for the Effect of Human Resource Management Practices on Employee Outcomes

			Model Summary			
Model		**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	
1	HRMP	.656	.431	.414	.33338	
			ANOVA[b]			
Model		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	2.858	1	2.858	25.712*	.000
	Residual	3.779	34	.111		
	Total	6.636	35			
			Coefficients[a]			
Model		**Unstandardized Coefficients**		**Standardized Coefficients**		
		B	Std. Error	Beta	**t**	**Sig.**
1	(Constant)	1.216	.538		2.259	.030
	HRMP	.729	.144	.656	5.071*	.000

*p < 0.001
a. Predictors: (Constant), Human Resource Management Practices
b. Dependent Variable: Employee Outcomes

8. Discussion

The regression results presented in Table 6 show that the relationship between HRMP and employee outcomes was positive and significant (R Square = 0.431, F = 25.712, p < 0.001). The results show that 43% of the changes in employee outcome are attributed to human resource management practices. The F ratio shows that the regression of employee outcomes on HRMP is significant at p < 0.001, which is evidence of the goodness of fit of the regression model. However, the model did not explain 57 percent of the variations in employee outcomes, implying that there are other factors associated with employee outcomes, which were not captured in the regression model. The beta was significant (β = .656, t = 5.071, at p < 0.001). The beta value implies that for one unit increase in the use of HRM practices, employee outcomes increase by .656 or 66%. From the regression results, it is noted that the relationship between HRMP and employee outcomes is positive and statistically significant. The hypothesis that there is a positive relationship between HRMP and employee outcomes was supported.

The objective of the study focused on the nature of the relationship between HRMP and employee outcomes. The finding under the objective was that there is a positive and significant relationship between HRMP and employee outcomes in the firms listed on the NSE. It is evident from the results that for every one unit increase in the use of HRMP, employee outcomes increased by .656 or 66 percent. This implies that HRMP have a strong effect on employee outcomes. These findings support the findings of the previous studies as explained below.

A study by Gould-Williams (2003) found a significant predictive effect of systems of HRM practices on performance of public organizations in UK. This was particularly true for organizational commitment. Theoretical work supports the assertion that the desire of every firm is to possess not just competent workforce, but satisfied and committed employees as well.

The finding of the current study implied that NSE listed firms have formulated HRM practices that enhance employee outcomes, particularly employee competence, commitment and empowerment. These findings are in consistent with the resource based view according to Barney (1995), which places emphasis on the need for organizations to ensure that they utilize supportive HRMP that assist in enhancing employee competencies, commitment and empowerment in an attempt to achieve desirable employee outcomes that differentiate their employees from the firms' competitors for sustained superior firm performance. This study has contributed further to the existing research outputs that have been produced by researchers including Pfeffer, (1994), Arthur (1994); and Huselid (1995)**,** regarding the importance of formulating Human Resource Management Practices that can positively influence employee outcomes to build superior internal firm resources.

9. Conclusion

This study investigated the effect of human resource management practices on employee outcomes of firms listed on the Nairobi Securities Exchange. It was intended to find out how HRMP affect employee outcomes in organizations. This was in relation to the existing gap in knowledge as to how HRMP influence employee outcomes in the Kenyan context. The study was conducted through a cross-sectional survey. Data was collected in 2013. The study adopted both descriptive and inferential statistics to analyze the data. Simple linear regression analysis was used to establish the nature and magnitude of the relationship between HRMP and employee outcomes. The study specifically sought to test the hypothesis that; there is a positive relationship between human resource management practices and employee outcomes. The study established that there was empirical support for the hypothesis that HRMP have a positive influence on employee outcomes. In view of these findings, the study concludes that HRMP positively influence employee outcomes. This implies that firms that formulate and implement progressive HRMP expect an effect on employee outcomes that are exhibited in more empowerment, more commitment and enhanced competency levels as part of the process of building competitive internal firm resources.

Limitations of the Study and Suggestions for Further Research

The survey questionnaire was a structured self-report and self-administered instrument that relied upon the integrity of the respondents. Employee outcomes were purely based on the perception of the respondents; hence it was highly subjective in nature. There still remains an issue of whether the respondents presented intended or realized HRMP, employee outcomes indicators. We nevertheless believe that the respondents were realistic in their responses to the survey. The researchers suggest that future research studies should be conducted using a different population and the analysis done according to sectors or industry and actual performance measures adopted as opposed to perceptual measures.

Acknowledgements

The authors are grateful to all the firms and individuals who participated in this research.

References

Ahmad, S. and Schroeder, R. G. (2003). The impact of human resource management practices on operational performance: Recognizing country and industry differences. *Journal of Operations Management,* **21**, 19-43.

Arthur, J. B. (1994). Effects of human resource systems on manufacturing performance and turnover, *Academy of Management Journal,* 37, 670-687

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management,* 17, 99-120.

Barney, J. B. (1995). Looking inside for competitive advantage. *The Academy of Management Executive,* **9**, (4): 49-61.

Boxall, P. and Purcell, J. (2003). *Strategic Human Resource Management*. Palgrave Macmillan. Basingstoke.

Coopers, D.R., and Schindler, P.S. (2006). *Business Research Methods*, 9^{th} Edition. Mac Grow – Hill. Publishing Co. Ltd. New Delhi. India.

Crook, T. R., Ketchen Jr., D. J., Combs, J. G., and Todd, S. Y. (2008). Strategic resources and performance: A meta-analysis. *Strategic Management Journal;* 29, 1141–1154.

Delaney, J. T. and Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. *Academy of Management Journal,* **39** (4): 946-69.

Delery, J. E., and Doty, D. H. (1996). Modes of Theorizing in strategic human resource management: Tests of universalistic, contingency, and configuration performance preconditions, *Academy of Management Journal,* **39** 802-835.

Galbreath, J. (2005). "Which resources matter most for firm success? An exploratory study of resource based view." *Technovation* 25, 979-987.

Gould-Williams, J. (2003). The importance of HR practices and workplace trust in achieving superior performance: A study of public sector organizations. *International Journal of Human Resource Management,* 14, 28-54.

Government of Kenya (GoK). (2007). *The Kenya Vision 2030,* Ministry of Planning and National Development, and the National Economic Social Council: Office of the President. Nairobi. Kenya.

Guest, D. (1997). Human resource management and performance: A Review and research agenda. *International Journal of Human Resource Management,* **8**(3): 263-276.

Guthrie, J. P. (2001). High-involvement work practices, turnover and productivity; Evidence from New Zealand. *Academy of Management Journal*, 44: 1870-190.

http://www.nse.co.ke ., *Listed firms*, Nairobi Securities Exchange, 3:37 pm 10/10/2012.

Huselid. M. A, Jackson, S E, and Schuler, R S (1997). Technical and strategic human resource management effectiveness as determinants of firm performance, *Academy of Management Journal,* 40(1): 171-88.

Ichniowski, C., Shaw, K. and Prennushi. G. (1997). The effects of human resource management practices on productivity: A study of steel finishing line. *The American Economic Review*, June.

Huselid, M. (1995b). The impact of human resource management practices on turnover, productivity, and corporate financiall performance. *Academy of Management Journal,* **938**(3): 635-672.

Kerlinger F. N. (2002). *Foundations of Behavioural Research:* Holt, Rinehart and Winston, Inc. USA.

Kidombo, H. J. (2007). Human Resource Strategic Orientation, Organizational Commitment and Firm Performance in Large Private Manufacturing Firms in Kenya (Unpublished PhD Thesis) University of Nairobi

K'Obonyo, P. Busienei, R. and Ogutu, J. (2013). The effect of human resource strategic orientation on

performance of large manufacturing firms in Kenya: *Prime Journal of Business Administration and Management,* **3**, Issue 1, 822-833 (2013).
Lin, S., and Chang, J. (2005). Goal orientation and organizational commitment as exploratory factors of employee's mobility*: Personnel Review*, 34, 331-353.
Luthans, F. (2008). *Organizational behavior.* 11th Edition. New York: McGrow-Hill Inc.
MacDuffie, P. (1995). Human resource bundles and manufacturing performance: organizational logic and flexible production systems in the world auto industry. *Industrial Labour Review*, 48: 197-221.
Muganda, N. (2010). *Applied business and management research. Exploring the principles and practices of research within the context of Africa.* Africa Nicorp Publication.
Mugenda, O. M., and Mugenda, A. G. (2003). *Research methods: Quantitative and qualitative approaches,* Nairobi: Acts Press.
Nunnally, J. (1967). *Psychometric theory*. New York. McGraw Hill
Pfeffer, J. (1994). *Competitive advantage through people: Unleashing the power of the work force*. Boston: Harvard Business School Press.
Pfeffer, J. (1998). Seven practices of successful organizations: *California Management Review.* **40**(2): 97-124.
Pfeffer, J., and Viega, J.F. (1999). Putting people first for organizational success: *Academy of Management Executive:* 13(2).
Truss, C., Gratton, L., Hope, V., McGoven, P. and Stiles, P. (1998). Soft and hard models of human resource management: A reappraisal. *International Journal of HRM,* **9**(4): 6523-670.
Ulrich, D. (1997). Human Resource Champions. Boston: Harvard Business School Press.
Ulrich, D & Lake, D (1990). O*rganizational capability: Competing from the inside out,* New York, Wiley.
Wan-Jing, C. and Tung, H. (2005). Relationship between strategic HRM and firm performance: A contingency perspective. *International Journal of Manpower* 26(5)
Youndt, M. A. and Snell, S. A. (2004). Human resource configurations, intellectual capital, and organizational perforamnce. *Journal of management issues* **16**(3): 337-360.
Youndt M. A., Snell, S. A., Dean, J. W., Jr., and Lepak, D. P (1996). Human resource management, manufacturing strategy and firm performance. *Academy of Management Journal.* **39**(4): 836-866.

1. Dr. Evans Vidija Sagwa, PhD: Was born in Vihiga, County, Kenya on 7Th September, 1968. He earned his Doctorate Degree in Business Administration from the University of Nairobi, Nairobi Kenya in 2014; Post Graduate Diploma in Education in 2000 from the University of Nairobi, Kenya; Masters in Personnel Management in 1993 from University of Poona, Pune, Maharashtra, India; Bachelor of Arts (Honours) in Public Administration, Economics and Sociology from Punjabi University, Patiala India in 1991. He became a Student Member of the Institute of Human Resource Management, Kenya in 1995, Associate Member in 2001, and Full Member in 2004. Dr. Sagwa is currently a Lecturer at the Technical university of Kenya.
2. Prof. Peter K'Obonyo, PhD: Was born in Siaya County, Kenya on 25Th November, 1952. He earned his PhD (Business Administration) from the College of Administration, University of South Carolina, USA in 1997; Masters in Business Administration (MBA) from the University of Nairobi in 1981; Post Graduate Diploma in Management, from the Eastern and Southern Management Institute, Arusha Tanzania in 1979; and a Bachelor of Arts (BA) from Makerere University, Kampala Uganda in 1975. Prof. K'Obonyo became a Full Professor of Management of the University of Nairobi in JANUARY 2012; he is currently the Deputy Principal, College of Humanities and Social Sciences, University of Nairobi, Kenya.
3. Prof. Martin Ogutu was born in Homa-Bay County, Kenya on 6Th July, 1952. He earned his PhD from Soka University, Tokyo Japan in 1994; Masters in Business Administration (MBA) from the University of Nairobi in 1983; and a Bachelor of Education (Arts) from the University of Nairobi (KU Campus) in 1978. Prof. Ogutu was appointed as a Lecturer in 1984, Senior Lecturer in 1997, and Associate Professor on 25Th January, 2012. Prof. Ogutu is currently an Associate Professor and Coordinator Doctoral Programme at the Scool of Business, University of Nairobi, Kenya.