

**INFLUENCE OF HUMAN RESOURCE
MANAGEMENT PRACTICES ON EMPLOYEE
SATISFACTION IN PUBLIC SUGAR
MANUFACTURING FIRMS IN KENYA**

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**Influence of Human Resource Management practices on employee satisfaction in
Public Sugar Manufacturing firms in Kenya**

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in Human Resource Management in the Jomo Kenyatta University of
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DECLARATION

This thesis is my own original work and has not been presented for any award in any other University.

Signed..... **Date**.....

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This research thesis has been submitted for examination with our approval as University Supervisors

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DEDICATION

This thesis is dedicated to my husband, Maurice Milimu Amahwa, and my two sons, Elshama Obrien Butita and Robert Sidney Baraka, for their moral and financial support and also to my father, Francis Agoi, and my mother, Mary Agoi, who educated me and inculcated patience, endurance and hard work in me. I also dedicate it to my siblings, Jackline, Becky, Ruth, Paul, Joseph, Esther, Rachael and Seth, for their inspiration and encouragement in my work.

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ACRONYMS AND ABBREVIATIONS

| | |
|---------------|---|
| ANOVA | Analysis Of Variance |
| CVI | Content Validity Index |
| EASI | East Africa Sugar Industries |
| HRD | Human Resource Development |
| HRM | Human Resource Management |
| HRP | Human Resource Planning |
| KIPPRA | Kenya Institute of Public Policy and Research |
| KSB | Kenya Sugar Board |
| MSPS | Ministry of State for Public Service in Kenya |
| NSC | Nzoia Sugar Company |
| OPS | Open Pan Boiling System |
| PM | Performance Management |
| RBV | Resource-Based View |
| SHRM | Strategic Human Resource Management |
| SPSS | Statistical Package for Social Sciences |
| TPSC | Tanzania Public Service College |
| TQM | Total Quality Management |
| UK | United Kingdom |
| US | United States |
| WEKSOL | West Kenya Sugar Company Ltd |

DEFINITION OF TERMS

Employee Satisfaction: The degree of positive emotions an employee has toward his job. In this study, it was measured by the satisfaction of work, friendly working environment, salary & wages (Curriuan, 2000).

HR practices: The strategic and coherent approach to management of organizations' most valuable asset, the employees, who contribute to the achievement of the organizations' objectives. Emphasizing the importance of this valuable asset, HRM can also be defined as the process of acquiring, training, appraising, compensating employees and attending to their labour relations, health and safety and fairness concerns (Michael Armstrong, 2010)

HR Practices: These include job analysis, human resource planning, recruitment and selection process, human resource training, performance evaluation, compensation and staff motivation (Knicki and Williams, 2008).

Performance appraisal: A process involving deliberate stock-taking of the success which an individual or organization has achieved in performing assigned tasks or meeting set goals over a period of time (Atiomo, 2000)

Publicly Owned Firms: A company formed and registered under this Act or an existing company. Firms whose management is controlled by the government (OECD, 2010).

Recruitment and Selection: The process of locating and attracting qualified applicants for jobs open in the organization and getting the right people in the right place and at the same time doing the right job is an essential element of recruitment and

selection process in organizations (Knicki and Williams, 2008).

Recruitment: The process of trying to determine which individuals best match particular jobs in the organizational context, taking into account individual differences, the requirements of the job and the organization's internal and external environments (Swanepoel, Erasmus, Van Wyk and Schenk, 2003)

Sugar Manufacturing Firms: These are firms that manufacture and produce sugar on large scale; they include Chemelil, Mumias, Nzoia, South Nyanza Sugar Company, Muhoroni, West Kenya, Soin and Kibos (Wachira, 2015).

ABSTRACT

The purpose of the study was to examine the influence of human resource management practices on employee satisfaction in sugar manufacturing firms in Western Kenya. The study was guided by the following objectives: to assess the influence of performance appraisal practices on employee satisfaction, to determine the influence of recruitment practices on employee satisfaction, to establish the role of training practices on employee satisfaction, to determine the influence of reward management practices on employee satisfaction, and to assess the influence of talent management practices on employee satisfaction in sugar manufacturing firms in Western Kenya. This study was informed by Universalist Theory, Resource-Based View (RBV) Theory and Harvard Theory, Michigan and Guest Model theories of HRM. The research design employed in the study was the Mixed Research Design. The study was carried out in 6 sugar firms from western Kenya. The target population comprised 8859 employees and 58 managers drawn from the 6 sugar firms. Simple random sampling procedure was used to pick the sample size of 219 employees. This study used questionnaires and interview schedule to collect data. The Content Validity Index (CVI) was used to test validity of the research instruments. The research instruments were also tested for reliability by computing the Cronbach Alpha Statistical Tests. Quantitative data collected were analyzed using descriptive statistical techniques which were frequencies, mean, standard deviation, whereas inferential statistics, Pearson Correlation and the Multiple Regression Analysis Model, were employed to test the hypothesis. The findings showed that performance appraisal, recruitment practices, training practices, rewarding management and talent management impact highly on employee satisfaction. Findings showed that training practices, rewarding management practices and talent management practices have a positive and significant influence on employee satisfaction. This infers that talent management, recruitment and selection practices result to a high level of employee satisfaction. However, findings indicated that performance appraisal and recruitment practices have a negative and significant influence on employee satisfaction. It is recommended that firms institute processes for integrating different sources and types of knowledge in order to strengthen organizational capability as well as mobilize talented people for the best opportunities. Further, firms need to ensure that performance appraisal activities contribute to employee development in order to

induce higher employee satisfaction to the organization. In addition, new employees need to be appraised and developed so that they are well versed with new trends and challenges in the industry. It is also recommended that the training programmes should be practical and related to the actual challenges at work. It is also recommended that firms give employees opportunities for career advancement. Lastly, there is need for the organizations to improve pay and benefits so as to motivate employees to remain committed to the organization.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In the contemporary business environment, human resource represents the most important resource and each organization strives to have highly satisfied and hence motivated employees. Employees with high job satisfaction are likely to exert more effort in their assigned tasks and pursue the organization's interests. An organization that fosters high employee job satisfaction is also more capable of retaining and attracting employees with the skills that it needs (Rad & Yarmohammadian, 2006). Employee satisfaction has been one of the major areas of interest in both fields of organizational behavior and human resource management practice, as it reflects the employee's attitude towards their job and commitment to the organization. Hence, today's managers are compelled to consider the job satisfaction of their subordinates. Additionally, the managers have a moral responsibility to provide the employees with a satisfying work environment, since they know that satisfied workers make positive contribution in terms of higher productivity, quality products and services and less wastage to the organization (Balozi, 2011). As a result, it is important that a firm adopts HRM practices that results in satisfied and hence motivated employees.

1.1.1 Global Perspective of HRM practices

Human resource management practices are aimed at improving the overall performance of employees within the organization, ultimately resulting in increased organizational performance through job satisfaction. Human resource management is a strategic approach to the management of human resources that involves all management decisions and actions that affect the relationship between the organization and employees (Hossain, 2012). Beardwell (2004) regard HRM as the philosophy, policies, procedures, and practices related to the management of people within an organization. Senyucel (2009) views HRM as a combination of people center management practices that recognize employees as assets and as geared towards creating and maintaining skillful and committed workforce for achieving

organizational goals. Human resource management practices have been changed dramatically during the last two decades owing to globalization, privatization/deregulation, competition and technological advancements. This highly turbulent environment has forced organizations to adopt new workplace practices that lead to sustained levels of high performance (Ray & Ray, 2011).

Similarly, Namusonge, Gathungu and Iravo (2015) argue that as firms enter into a more dynamic world of international business, and as the globalization of world markets continues at a fast pace, comparative human resource management issues appear to be gaining momentum. Human resource management practices are central to the improvement of the quality of services offered by organizations.

Armstrong (2010) posits that the HRM practices that impact on job satisfaction include human capital management, knowledge management, organization development, resourcing (human resource planning, recruitment and selection, and talent management), performance management, learning and development, reward management, employee relations and employee well-being. The impact of human resource management practices, popularly known as HR practices, on organizational performance and employee attitudes has been a leading area of research in the developed world for years (Simmons, 2008). According to Armstrong (2010), commitment, motivation and job satisfaction (either together or separately) were higher when people positively experienced the application of HR policies concerned with creating an able workforce, motivating valued behaviors and providing opportunities to participate. According to Huang (2000), HRM practices are among what influences employees' intention to leave the organization, levels of job satisfaction, and organizational commitment.

HR practices and job satisfaction are studied widely in different parts of the world. It is assumed that HR practices are closely associated with job satisfaction (Ting, 1997). This is because many scholars and practitioners believe that sound HR practices result in better level of job satisfaction, which ultimately improves organizational performance (Appelbaum, Bailey, Berg & Kalleberg, 2000). Steijn (2004) found that HRM practices had positive influence on job satisfaction to the

employees of the Dutch public sector, whereas individual characteristics, such as age, gender, and education, had insignificant influence on job satisfaction. Gould-William (2003) showed that use of specific HR practices in local government organizations in the United Kingdom (UK) was associated with a greater degree of job satisfaction, workplace trust, commitment, effort, and perceived organizational performance.

Dramatic advances of information and communication technology, changing mix and personal values of the force, emergence of the knowledge economy and increasing global competition have created enormous challenges on organizations (Hossain, 2012). To cope with the challenges efficiently, the human resource has been considered as one of the most important factors in today's hypercompetitive marketplace. In the context of a developing economy like Kenya where the need for formation of capital is pressing, where developments in the field of industrial and bank management are dynamic, and where financial crises accompanying pangs of economic growth are frequent, the challenges posed by human resource management are of great importance, and, as a sequel, exploring the possibilities of the application of human resource management becomes a very relevant field of enquiry and research (Hossain, 2012).

Namusonge *et al.*, (2012) have examined the relationship between human resource management practices and firms' performance. Measures of performance as the dependent variable vary according to different researchers. They fall generally into two categories: financial and non-financial measures. Opinions differ as to what constitutes HRM practices, as it is linked with performance in various studies. Contribution of synergetic relationship among HRM practices to organizational performance needs to be explored and measures generated.

The above study developed a conceptual framework that links human resource management practices and firm performance. But, surprisingly, very little study has been conducted on HR practices in the context of public sugar manufacturing firms in Kenya. Therefore, it was prudent to examine how human resource management

practices influence employee satisfaction in public sugar manufacturing firms in Kenya.

1.1.2 HRM Practices in Africa's Public Sector

The Public Service is a labor-intensive employer, depending on the quality, skills and performance of its employees. There is a policy framework in place for Human Resource Development (HRD) in the Public Service, and it is crucial to monitor its implementation to ensure that its objectives are achieved. Public sector employment accounts for a significant portion of wage employment in developing countries (Mizala *et al.*, 2011). The ability to achieve best HRM practices is a major challenge in the bid to raise the capacity of the government to produce and implement good policies, including wage determination policy. In Africa, the need for the HRM policy, strategy and systems to underpin the business strategy has never been greater. Organizations have downsized, right-sized and transformed to enable them to compete in the 21st century. Unfortunately, HRM systems have not always responded and often lag behind in organizational transformation. It is the HRM policy and strategy that underpin the business strategy, not the other way around (Lee, Lee & Wu, 2010).

Africa is on an unprecedented development trajectory that is witnessing transformation in many respects. To sustain the process of positive change, each country requires an innovative transformational and development-oriented public service at regional, national, local and community levels. The public servants manning this innovative public service must be very competent and capable human resource managers (Mutahaba, 2010).

Therefore one of the areas of Africa's public service that must undergo radical transformation is the management of human resource, beginning with the human resource managers themselves. They are critical, not only because they manage the most important resource (public servants), but also because they are at the vanguard of shaping the leadership capabilities, professionalism, ethics and integrity in the Public Service. Public Service leaders are not in ministries alone; they are in local

governments, in big hospitals, small clinics and health centers as well. They are also involved in schools, universities, commissions, etc. (PSC, 2010) and even in the smallest community-level project. Moreover, all public service leaders and public servants are under the management and administration of human resource managers.

1.1.3 HRM practices in Kenya's Public Sector

An exploratory survey of HRM practices carried out by the Ministry of State for Public Service in Kenya (MSPS, 2007) found out that the day-to-day work of HRM practitioners in the civil service revolves around activities like commutation of leave; confirmation in appointment, preparation of the payroll, deployment of staff, attending meetings, verification of personnel data, pension matters, statutory deductions and arranging for staff training, among others ((MSPS, 2007). The same survey enumerated the challenges they faced, which include not so cordial relationship with other departments; little interaction with other departments, unless they wanted HR to do something for them; inadequate capacity; and lack of a forum to address issues and exchange ideas or bond with other departments.

This survey also revealed that the HRM function is still playing to the tune of the 1990's models of clerk of works/ contract manager/ architect by continuing to be preoccupied with transactional activities (Chondrey, 1998). At the same time, the findings revealed an urgent need to 'get HR role out of its ivory tower to get closer to business' (Ulrich, 1997). According to Ulrich, there is need for HRM to stop acting as administrative agents or clerk of works and to play a more direct role in the running of the organization.

HR managers should not watch from the sidelines but join forces with operational managers to systematically assess the impact and importance of HR activities. Huselid *et al*, (2005) argued that the future of HR function depends on its ability to acquire, assimilate, transform and exploit new knowledge from other areas to allow it to connect with strategic business drivers.

Balozi (2011) researched on the influence of HR practices on employee satisfaction in Tanzania Public Service College (TPSC) and established that six dimensions of

HR practices, namely, career development, staffing, training and development, performance appraisal, incentives and employee relations, were positively related to employee satisfaction, with training and development showing the strongest contribution to employee satisfaction.

1.2 Statement of the Problem

The sugar sector is one of the most important agricultural sectors in Western and Nyanza provinces of Kenya. In 2014, it employed 45,000 workers directly, was a major source of income to over 120,000 small scale farmers and supported over 2 million people indirectly. The sector has potential to contribute even more to the economy. Among its main challenges has been a decline in productivity and efficiency at factory level. Decline in productivity is believed to be caused by, among other things, unmotivated work force. Among the major causes of de-motivation is lack of job satisfaction (Currivan, 2000). Others causes of decline in productivity include shortage of skilled labour and inability to retain top-performing employees so as to attain profitability and thus maintain rightful position in the eyes of stakeholders.

In today's highly competitive world, it is necessary to retain skilled workers in the organization by efficient HRM practices. No organization can operate without workers, who include top-level managers, executives, supervisors and other employees.

The overall performance of an organization depends on the extent to which human resource is utilized (Hossain, 2012). According to Michael Armstrong (2010), application of HR practices can have a major influence on enhancing job satisfaction and hence improve productivity. The wide disparity in application of HRM best-practices is one reason that public institutions continue to perform poorly compared to private organizations.

A good example is compensation. A report by KIPPRA (2013) on compensation in Kenya indicated that public sugar firms have less influence on HRM than private firms. For example, there is a large wage inequality in both the public and private sector between the lowest and highest cadres. These wage differentials have caused a distortion in the wage economy, strikes, and industrial unrest in the public sector,

leading to slow service delivery, and thus defying the principle of wage determination.

The report further indicated that education and experience are no longer major considerations in wage determination. Moreover, the current employment policy seems inadequate in addressing issues around wage differentials within the public sector and between public and private sectors. The report also shows that basic salaries alone are not a sufficient motivator for retaining employees. Incentives and allowances play a significant role in ensuring employee retention within the public sector.

According to Namusonge *ET. al.*, (2012), research on HR practices and their link to firm performance in most cases does not address the issue of horizontal integration and vertical alignment. Investigations on the link between HRM and organizational performance has extensively been done in the US and the UK. Several authors point out that research needs to be conducted in other contexts (Ericksen & Dyer, 2005; Wright *et al.*, 2005)

Despite the overall implications of HRM practices and regardless of studies indicating that best HRM practices are a cause of employee satisfaction, HRM practices still remain a tactic not employed much by organizations to improve employee satisfaction. Indeed there are limited studies to demonstrate that best HRM practices can enhance employee satisfaction in sugar manufacturing firms in Kenya. The main objective of this study was to examine how HRM practices influence employee satisfaction in public sugar manufacturing firms in Western Kenya.

1.3 Research Objectives

1.3.1 General Objective

The general objective of the study was to examine the influence of human resource management practices on employee satisfaction in public sugar manufacturing firms in Kenya.

1.3.2 Specific Objectives

Specific objectives of the study are:

1. To assess the influence of performance appraisal practices on employee satisfaction in public sugar manufacturing firms in Kenya.
2. To determine the influence of recruitment and selection practices on employee satisfaction in public sugar manufacturing firms in Kenya.
3. To establish influence of training practices on employee satisfaction in public sugar manufacturing firms in Kenya.
4. To evaluate the influence of reward management practices on employee satisfaction in public sugar manufacturing firms in Kenya.
5. To ascertain the influence of talent management practices on employee satisfaction in public sugar manufacturing firms in Kenya.

1.4 Research Hypotheses

Hypothesized relationship between variables is shown in the following research hypotheses.

H₀₁: There is no significant influence of performance appraisal practices on employee satisfaction in public sugar manufacturing firms in Kenya

H₀₂: There is no significant influence of recruitment and selection practices on employee satisfaction in public sugar manufacturing firms in Kenya.

H₀₃: There is no significant relationship between training practices and employee satisfaction in public sugar manufacturing firms in Western Kenya.

H₀₄: There is no significant influence of reward management practices on employee satisfaction in public sugar manufacturing firms in Kenya.

H₀₅: There is no significant influence of reward management practices on employee satisfaction in public sugar manufacturing firms in Kenya.

1.5 Significance of the Study

The importance of human potential for manufacturing firms increases proportionally with the speed of changes which appear in the business area because human capital represents a basic qualitative parameter of fruitfulness of any changes. This present

study was useful to management. The results and suggestions from this endeavour which was carried out in Kenyan context can be utilized by managements to enhance firm competitiveness and performance. The present research intends to endow human resource practitioners with guidance and support to proficiently manage turnover in their organization. Results from this study assist in the development of an efficient HRM satisfaction program for organizations, in particular for sugar firms, since employee retention is a fundamental strategic tool for organizations to remain in the market place

The others users of the report are the policy makers. Its results could be shared with HR policy makers to identify any gap in the people management systems and re-strategize HR policies and employee engagement activities in line with the aspirations of sugar firms Strategy 2015 to position the firm for global competitiveness. Lastly, it could be used by scholars to generate new knowledge that widens horizons of existing knowledge concerning HRM practices in public sugar manufacturing firms in Kenya to help them improve their performance. The findings could also go a long way in transforming HR practices. It is hoped that conclusions that will be drawn and recommendations that will be made will be of use to advisers, planners and decision-makers as they use HRM practices such as recruitment, motivation, employee participation, clearly defined jobs and extensive formal training and development in enhancing the satisfaction of employees in public sugar manufacturing firms in Kenya.

1.6 Scope of the Study

The study was conducted in public sugar manufacturing firms in western Kenya, with over 40,000 employees, to identify the level of using the HRM practices in the satisfaction of employees in these sugar manufacturing firms.

1.7 Limitations of the Study

The researcher encountered the following barriers and challenges. First, the findings could have been influenced by the researcher's subjectivity. The researcher addressed this by comparing her personal views with literary sources so as to minimize subjectivity. Second, some respondents for one reason or another withheld

important information from the researcher, forcing the researcher to re-assure the participants of the confidentiality of the information she was obtaining from them so that they freely open up to give the information. Third, the interviews that were used in the data collection despite having many advantages were time-consuming and costly. The researcher overcame this limitation by setting timeframes within which to conduct the interviews so as to save time and reduce costs.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter reviews work done previously on employee satisfaction emanating from human resource practices. Previous work concerning the identified variables of study has been reviewed. Both frameworks, theoretical and conceptual, have been included. A critique of the literature has been included. Lastly, research gap in literature pertaining to the topic under investigation has been identified.

2.2 Theoretical Framework

There are many theories on HRM, but this study employed Universalist Theory, Resource-Based View (RBV) and Harvard model of HRM

2.2.1 Universalist Theory

This study was anchored on the Universalistic Approach (Delery & Doty, 1996). Universalistic perspective seeks for “best practices”. Researches employing the Universalistic perspective are micro-analytical in nature and posit that some HRM practices are always better than others and that all organizations should adopt these practices. Scholars further argue that bundling sets of appropriate HR practices, rather than using single, isolated practices, is necessary for sustained performance. As pointed out by Lepak & Snell (1999), it may be inappropriate to simplify the nature of human capital investments and suggest that there exists a single optimal HR architecture for managing all employees. Instead of focusing on a particular human resource practice independently or in isolation, we need to look more broadly at HR bundles that are implemented in combination.

The work by Huselid (1995) reflected the universalistic approach to HRM. This perspective assumes that there are certain “best” HRM practices that contribute to increased organisational performance regardless of the strategic goals of the organization. Further, a Universalistic approach to HRM research assumes that HRM practices contribute to worker motivation (and thereby increased productivity) as

well as increased efficiency (Ichniowski, Kochan, Levine, Olson and Strauss, 2000). While other researchers concurred with these assumptions (Osterman, 1995; Pfeffer, 1994), different studies have utilized various assortments of these HRM practices, and there has been little work that provides a definitive description as to which HRM practices should be included in a “best practice” system.

The best human resource practice areas are recruitment and selection, socialization, job design, training, communication/participation, career development, performance management, employee reward and job security (Maina, 2012). It is plausible that when employees judge the organization to be fair and supportive in their treatment of workers, particularly with regards to the availability and frequency of promotional opportunities, adequacy of pay and good supervision, positive feelings of well-being was created, which is likely to stimulate that by increasing their loyalty to the organization and reducing turnover (Nasurdin *et. al*, 2012).

The motivation and opportunity considered bundles of human resource practices as being positively related to affective commitment and negatively related to turnover (Gardner *et al.*, 2007). Wayne *et al.* (2012) suggested that HRM practices that signalled the organization’s intentions to invest in employees (such as developmental experiences and training) produced higher levels of ‘influenceive’ organizational commitment. HR practices such as pay, benefits and training are negatively related to turnover because they motivate employees and “lock” them to their jobs (Onyango, 2013)

Others like Shaw (2010) indicate that involuntary turnover is affected by staffing practices (recruitment and selection process) and employee monitoring (performance appraisal). On training, DeCenzo and Robbins (2012) opine that employee training has become increasingly important, as jobs have become more sophisticated and influenced by technological changes. Still, Bernardin and Russel (2012) argue that over the years, training has become increasingly popular as HR tool for improving employee and managerial performance in organizations. Buck and Watson’s (2009) indicated nine important HRM practices: decentralization, compensation, participation, training, development, employment security, social interactions,

management style, communications and performance appraisal. According to Klaus *et al.* (2013), through better job assignment or work design, employees may display greater commitment, leading to better job performance.

Hence, the underlying assumption is that these practices are universally applicable and successful in the globalized world. According to this thesis, the universal 'logic of industrialization' and the 'logic of the development of organizations and management' are shaped by the best practices of economically developed countries, which later result in a convergence of management systems through the adoption of similar organizational policies and practices by the least-developed ones (Pudelko & Harzing, 2007). Hence, this Universalist, "best practice" approach argues that by adopting the same best HRM practices that generate profits and bringing competitive advantage to the organization, all organizations will be better off (Pfeffer & Veiga, 1999; Khilji & Wang, 2007). Hence, some of the HRM practices are perceived as context generalizable and influenceive across countries

On the basis of the above literature review, the study assumes that the following dimensions of HRM practices—recruitment and selection systems, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation, working environment, etc—have impact on employee satisfaction towards the organization.

2.2.2 Resource-Based View Theory

Barney's (1991) Resource-Based View (RBV) Theory claims that a company must have valuable, rare, inimitable and non-substitutable resources to have a sustainable competitive advantage, and that these resources include everything internal to the firm. Barney (1986) listed all of the assets, capabilities, organizational processes, firm attributes, information, knowledge, and so on, as resources. The application of this theory to HRM illustrates the role that people play in building a company's competitive advantage. To explain how this theory can be applied to HRM, Wright and McMahan (1992) referred to the following four features that people, as resources, must have for the company to be competitive. First, they must give value

to the company's production processes, meaning, the level of individual performance must be significant. Second, the skills that the company looks for must be rare. According to them, all human resources should meet these two criteria, since they are evenly distributed. Third, the combined human capital investments of a company's employees must not be easily imitated. Some argue that other types of resources in a company, such as technology and natural resources, are available to anyone and easy to copy nowadays. On the other hand, human resources – particularly HR systems – represent a complex social system (Ulrich & Lake, 1990) and are regarded as invisible assets. Finally, a company's human resources must not be substituted or replaced by technological alternatives; however, the high levels of automation in many industries and the continuing shift towards a service economy have made substitution less likely. Overall, the Resource-Based Theory provides a useful basis for understanding the value that HRM adds to the performance of the organization. But beyond RBV, it is important to discuss theories that involve HRM practices to truly understand the influences that HRM have on organizations.

2.2.3 Human Resource Management Theories

Various theories of HRM have been developed over time by different researchers. All these models have helped the HR practitioner to influencively manage the human resources. Some of the important theories are Harvard Theory, Michigan Theory and Guest Model Theory

a) Harvard Theory

The Harvard model (Beer *et al.*1984) works as a strategic map to guide all managers in their relationship with employees and focuses on the human or soft aspect of HRM. It strives at employee commitment, not control. Also, it works on the premise that employees need to be congruent, competent and cost-influenceive. Harvard Model guides all managers in their relationships with employees and concentrates on the human (or soft) aspect of HRM. The Harvard model shows HRM as a set of broad strategic 'choices' in response to the demands of organisational characteristics (for example, stakeholders, business strategy and conditions, management

philosophy, technology) within the context of the external labour market and social, economic and political conditions (Nankervis *et al.*, 2011).

The Harvard model suggests that HRM strategies, policies and processes fall into four broad areas. Employee influence and involvement: The extent to which employees are encouraged to share their ideas and participate in organisational consultation and decision-making procedures (Wilson, 2009). The model further suggests that a strategic approach to HRM strategy, policy and processes fundamentally reflects management choice about how employees are managed – a choice about the nature of the employment relationship, including the ‘psychological contract’ between employees and their employers. As this model indicates, the principles on which HRM theories are based are generally broader and more managerial in their emphasis than personnel management

b) Michigan Theory

The Michigan model (Devanna *et al.*, 1984) focuses on hard HRM. It holds that people should be managed like any other resource and should therefore be obtained cheaply, used sparingly, developed and exploited fully. It also emphasizes the interrelatedness of HRM activities. According to this model, selection, appraisal, development and rewards are geared towards organizational performance.

Michigan approach is characterized by the focus on notions of ‘fit’ in particular strategic fit and internal fit. Strategic fit emphasises the necessary alignment between HRM policies and overall business strategy. High degrees of strategic fit are assumed to positively affect organizational performance (Huselid, 1995). Internal fit is another SHRM concept often linked to the HRM and performance research stream. Internal fit represents the degree of alignment of individual HRM practices to a consistent and coherent HRM bundle or system (see Delery & Doty, 1996). Again, a high degree of fit is assumed to contribute to organizational performance (Huselid, 1995). Furthermore, the Michigan approach is very much focused on short-term economic performance outcomes such as labour productivity, quality, sales, market growth and profits.

Organizational context is acknowledged in the Michigan model, represented by political forces, economic forces and cultural forces. These external forces mainly affect the mission and the strategy of the firm. The mission and strategy then are assumed to determine and affect the organizational structure and human resource management. This is a rather top-down approach with a dominance of the overall business strategy. Shareholder value is an implicit key element in the Michigan model

c) Guest Model Theory

Comparative model (Guest, 1997) works on the premise that a set of integrated HRM practices results in superior individual and organisational performance. It advocates a significant difference of HRM from PM. It holds that HRM strategies, like differentiation, innovation, the focus on Quality and cost reduction lead to practices like better training appraisal, selection, rewards, job designs, involvement, and security, lead to more quality outcomes, commitment and flexibility. It then affects performance in that productivity increases, innovation is achieved and there are limited absences, labour turnover, and conflict or customer complaints.

2.3 Conceptual Framework

Those behind Universalist theory, Harvard model, Michigan model and Guest model argue that best HR practices can enhance job satisfaction. Thus, this study's independent variables were performance appraisal practices, recruitment and selection practices, training practices, reward management practices talent management practices (Armstrong, 2010) which are assumed to affect employee satisfaction (the dependent variable). The above relationship is diagrammatically presented in Figure 2.1, which shows how the independent and dependent variables relate as conceptualized by the researcher. The directions of the arrows show the interrelationships between the key variables of the study.

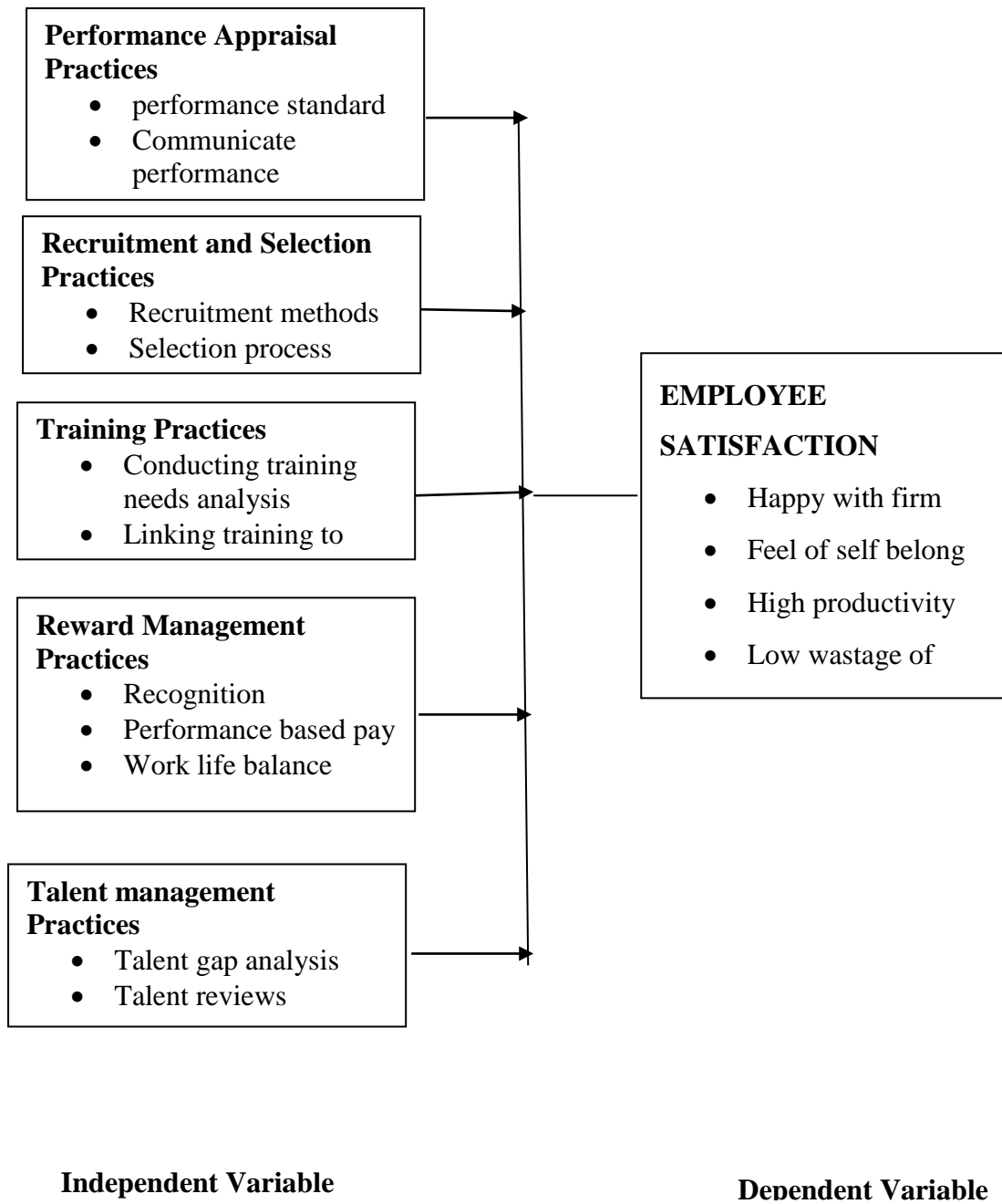


Figure 2.1 Conceptual framework showing interaction of variables

2.4 Empirical review of Variables

Much of this research has demonstrated statistically significant relationships between measures of HR practices and job satisfaction (Guthrie, 2001). While these studies have been useful for demonstrating the potential value created through HR practices, they have revealed very little regarding the processes through which this value is created (Wright, Gardner & Wright, 2003). Some authors have referred to this as the 'black box' problem, noting that the conceptual development of the mediating mechanisms through which HRM has an impact on profitability has thus far eluded empirical testing (Purcell, Hutchinson, Kinnie, Rayton & Swart, 2003). This study filled in the gap by seeking to establish the relationship between HR practices and employee satisfaction in public sugar manufacturing firms in Western Kenya, a region that is culturally and geographically different.

2.4.1 Performance Appraisal Practices

Nsubuga (2008)) argues that performance appraisal is the review and discussion of an employee's performance of assigned duties and responsibilities. The appraisal is based on results obtained by the employee on the job, not on the employee's personality characteristics. The appraisal measures skills and accomplishments with reasonable accuracy and uniformity. It provides a way to help identify areas for performance enhancement and to help promote professional growth. It should not, however, be considered the supervisor's only communication tool (Simmons & Petrescu, 2008).

Different researchers have helped in understanding the relation between performance appraisals and job satisfaction. Locke and Latham (2002) indicated that measurable and challenging goals help to align individuals' and companies' goals, leading to higher levels of motivation and job satisfaction and, hence, employees' effort at work. Furthermore, Goal-Setting Theory implies that the level of goal achievement is closely related to employee satisfaction (Snell, 2005). Frequently, organizations link goal achievement to remuneration systems, such as performance-related pay.

Previous studies have shown that performance-related pay is associated with higher levels of overall job satisfaction (Green & Heywood, 2008). Bryson *et al.* (2012) empirically investigated the relationship between piece-rate, team-incentive (or profit-sharing schemes) and job satisfaction in 15 firms using qualitative analysis and showed that workers under PRP schemes are more satisfied with their job, controlling of wage levels as well as individual, business unit, and country-fixed influences. Previous research has broadly analyzed the impact of the social context of performance appraisals on employee reactions to these appraisals (Levy & Williams, 2004; Pichler, 2012).

One dimension focuses on the rater-rate relationship comprising topics such as supervisor support, trust, rating accuracy, and reliability as a precondition for the acceptance and usefulness of formal appraisal systems. Rating distortions, which are very prominent in organizations (Moers, 2005), lead to less acceptance among employees and decrease the economic incentives to provide effort. These rating distortions may have very different reasons, including strategic incentives of the raters, such as favoritism or punishment (Poon, 2004) or interpersonal motives.

Kumar and Gupta (2012) carried meta-analysis to determine the influence of performance appraisal on job satisfaction among 10 firms using qualitative analysis. The results of the studies showed that raters' personality traits influence overall rating decisions. Other contextual factors include, for instance, employees' satisfaction with the PA process as a whole, the performance appraisal feedback, or employees' evaluations of the perceived quality, justice, and fairness of the performance appraisal regime (Gupta & Kumar, 2013). Furthermore, employee participation in the PA process is positively related to the satisfaction with the PA system, perceived fairness, and acceptance of such a practice.

Brown, Hyatt and Benson (2010) analysed the relationship between PA quality, measured by clarity, communication, trust, and fairness of the PA process, and job satisfaction and commitment based on a sample of more than 2,300 Australian non-managerial employees of a large public sector organization. Further, found out that employees who report a low PA quality level of trust in supervisory, poor

communication, and lack of clarity about expectations, and perception of a less fair PA process also report lower levels of job satisfaction and commitment. But there may also be drawbacks of formal performance appraisals systems.

Due to the continuous monitoring of employee effort and behavior, some employees might feel restricted in the way they organize and execute their work, which might induce a negative impact on job satisfaction (Heywood & Wei, 2006). As indicated at the beginning, PA is often linked to direct monetary consequences, especially in the case of variable payments, where employees face a higher income risk, since the bonus may be cut in times of economic downturns. Furthermore, PA may induce higher levels of pay dispersion within a company, which potentially reduces employee satisfaction when employees, for instance, dislike inequity.

A number of studies have shown that relative pay comparisons among employees, especially the individual rank in income distributions, have a negative impact on job and pay satisfaction and negatively affect effort provision (Brown *et al.*, 2008; Clark *et al.*, 2010; Card *et al.*, 2012). Another drawback of formal PA might be a crowding out of intrinsic motivation due to the pronounced focus on extrinsic incentives (Deci *et al.*, 1999; Frey & Jegen, 2001). To conclude, a voluminous literature is devoted to the analysis of single, contextual factors of the PA process or the rater-rate relationship which are then related to overall job satisfaction. Second, prior studies are examining differences within situations that had appraisal systems in place. Hence, the overall question, i.e. the influence the implementation of a formal PA system has on job satisfaction, has not been studied yet. Furthermore, it is important to note that existing research is mainly based on cross-sectional data sets with a small number of observations, which reveals major identification problems, making it impossible to draw inferences of causality or rule out the possibility of reverse causality (Kuvaas, 2006)

PA process helps clarify organizational expectations regarding an employee's activities, actions, and results, thus improving job satisfaction among employees. If an employee does not know what he has the authority to decide, what he is expected

to accomplish and how he will be judged, he will hesitate to make decisions and will have to rely on a trial-and-error approach to meet the expectations of his superior.

Kuvaas (2006) noted that PA activities can be used by organizations to communicate organizational strategies, goals and vision to their employees, thus creating a higher level of job satisfaction. Moreover, the affective and emotional aspects of super-ordinate goals may capture the hearts of employees and give people a cause they can rally around (Latham, 2003). Therefore, it is possible for employees to experience higher levels of job satisfaction because PA activities are able to communicate super-ordinate strategies, goals and vision to them.

Thus, the employees may become more influentially committed to their organization. Working competitively involves placing high value on people, considering their experiences, ideas and preferences. Their participation in organizations seems to be necessary because employees and managers have to discuss a company's objectives together. It is fundamental to consider not only the staff's specific qualifications needed for the positions in the organizational structure but also their knowledge, experiences, skills and results for future innovations. These competences, which are identified by PA in all the hierarchical levels of an organization, are important aspects concerning the success of a company's competitive strategy (Ubeda & Santos, 2007).

Caruth and Humphreys (2006) suggest that a successful performance appraisal system is one that has resulted from hard work, careful thinking and planning and integrated with the strategy and needs of the organization. According to Coens and Jenkins (2002), inaccuracies in appraisal can de-motivate employees, forcing them to leave the organization. This would affect the organization since employees would seek other opportunities, thus negatively affecting retention.

When retention is an issue, motivation and hence performance of the employee are affected. Yee and Chen (2009) say that performance appraisal evaluates employees' present and previous output within the laid-down standards and also provides feedback on employees' performance in order to motivate them to improve on their

job performance, or at least encourage them to reduce inefficiencies in their work. Therefore, it is important that performance appraisal be of quality so as to function as a tool of employee performance

Levy and Williams (2004) noted that PA activities have the potential to increase employees perceptions of being valued by the organization, a perception which is central to increased job satisfaction. Furthermore, Kuvaas, (2006) noted that employees probably show higher job satisfaction to the organization if they perceive that PA activities reflect the employee's development. Namusonge *et al*, (2014) conducted a study on influences of personality factors on the influenciveness of employee performance appraisal system in institutions of higher learning in Nakuru County. A total of 220 out of 224 academic staff completed questionnaires. Analysis of quantitative data was done to test hypothesis using the ANOVA and regression analysis. The results indicated that job-related factors (training and development, promotion and tasks in the organization) had a positive impact on the influenciveness of employee performance appraisal systems among the selected institutions of higher learning in Nakuru County.

Critiques of appraisal have continued even as appraisals have increased in use and scope across sectors and occupations. The dominant criticism is the management framework using appraisal as an "orthodox" technique that seeks to remedy the weakness and use of appraisals as a system to develop performance (Bach, 2005). This "orthodox" approach argues there are conflicting purposes of appraisal (Strebler *et al.*, 2001).

Appraisal can motivate staff by clarifying objectives and setting clear future objectives with provision for training and development needs to establish the performance objective. These conflict with assessing past performance and distribution of rewards, based on past performance (Bach, 2005, p. 301). Employees are reluctant to confide any limitations to and concerns with their current performance, as this could impact on their merit-related reward or promotion opportunities.

This conflicts with performance appraisal as a developmental process, as appraisers are challenged with differing roles as both monitors and judges of performance, and an understanding counselor, which, Randell (1994) argues, few managers have the training to perform. Managerial reluctance to criticize also stems from classic evidence from McGregor that they are reluctant to make negative judgments on an individual's performance, since it could be de-motivating, leading to appraise accusations of lack of managerial support and contribution to an individual's poor performance.

Ndirangu and Ngari (2014) carried out a study on influence of performance appraisal quality on employee performance in investment management firms in Kenya. Using multiple regressions, the study established that clarity of performance expectations affected the job performance to a great extent. Feedback mechanism and open-door policy, integrity and reliability/dependability affected job performance to a great extent.

In addition, distributive fairness affected job performance to a moderate extent. The study found out that appraisal motivates staff by clarifying objectives and setting clear future objectives, with provision for training and development needs to establish the performance objective. Communication provides employees with the chance of exercising a level of process control. Trust in supervisors is important for determining satisfaction with the appraisal system. Appraisals based on personal traits have little value for providing diagnostic feedback to employees or for designing training and development programs to ameliorate.

Other studies have been conducted on performance appraisal in Kenya (Owuor, 2005; Richu, 2007; Jematia 2008). None of these has ever focused on the influence of performance appraisal quality on performance of employees. In the investment management firms in Kenya, performance appraisal as a tool is utilized; however, the quality of performance appraisal and its influence on employee performance cannot be ascertained. Therefore, this study sought to fill this gap by analyzing the influence of performance appraisal quality on performance of employees in the financial sector with reference to the investment management firms in Kenya.

Important to note is the fact that Latham and Latham (2000) recommend the need to evaluate the appraisal process. According to their recommendation, if a member of staff is to have a positive attitude towards the appraisal system, the performance appraisal should undergo regular review and improvement. For example, focus groups or surveys could be conducted to gauge staff perceptions of the appraisal process.

This corroborates Robert's (2002) recommendations that a successful performance appraisal process should demonstrate a change in both the ratings of staff performance and aspects of the work environment that impact upon work performance. However, none of the above studies have demonstrated how performance appraisal affects job satisfaction in sugar firms in Kenya.

2.4.2 Recruitment and Selection Practices

The recruitment and selection process determines the decision as to which candidates get employment offers (Otieno, 2013). The aim of this practice is to improve the fit between employee and the organization, teams, and work requirements and thus to create a better work environment (Tzafirir, 2012). Sophisticated recruitment and selection system can ensure a better fit between the individual's abilities and the organization's requirement (Otieno, 2013). Mulei and Karanja (2011) concluded that employment stability could be achieved through a selection procedure based on ability. Katou and Budhwar (2007) in a study on the Greek manufacturing firms found that recruitment and selection was positively related to all organizational performance variables, such as influenceiveness, efficiency, innovation and quality.

Recruitment is the process of searching candidates for employment and stimulating them to apply for jobs in an organization (Chhabra, 2005). Recruitment and selection process are concerned with identifying, attracting, and choosing suitable people to meet an organization's human resource requirement. Recruitment and selection are essentially concerned with finding, assessing, and engaging new employees or promoting existing ones. The focus is on matching the capabilities and interests of prospective candidates with the demands and rewards of a given job. Recruitment

and selection decisions are among the most important of all decisions that managers have to make because they are a pre-requisite to the development of an influenceive workforce.

Recruitment and selection are vital functions of human resource management for any type of business organization. These are terms that refer to the process of attracting and choosing candidates for employment. The quality of the human resource the firm has heavily depends on the influenciveness of these two functions (Gamage, 2014). Recruiting and selecting the wrong candidates who are not capable come with a huge negative cost which businesses cannot afford. Thus, the overall aim of recruitment and selection within the organization is to obtain the number and quality of employees that is required to satisfy the strategic objectives of the organization at minimal cost (Ofori & Aryeetey, 2011).

Recruitment and selection have an important role to play in ensuring worker performance and positive job satisfaction outcomes. It is often claimed that selection of workers occurs, not just to replace departing employees or add to a workforce but, rather, it aims to put in place workers who can perform at a high level and demonstrate commitment, thereby leading to high level of job satisfaction (Ballantyne, 2014). Recruitment and selection play a pivotally important role in shaping an organization's influenciveness and performance. If recruiting and selecting staff in an organization acquire workers who already possess relevant knowledge, skills and aptitudes and are also able to make an accurate prediction regarding their future abilities, they will have, in an influenceive manner, avoided undesirable costs, for example those associated with high staff turnover, poor performance and dissatisfied customers, and engendered a mutually beneficial employment relationship characterized, wherever possible, by high commitment on both sides.

Pilbeam and Corbridge (2006) provide a useful overview of potential positive and negative aspects, noting that the recruitment and selection of employees is fundamental to job satisfaction within an organization, and there are compelling reasons for getting it right. Inappropriate selection decisions reduce organizational

influenciveness, invalidate reward and development strategies, are frequently unfair on the individual recruit and can be distressing for managers who have to deal with unsuitable employees.

Recruiting and selection is very important for the survival of any organization, but that is not the end. New recruits should be developed and appraised from time to time in order keep abreast with new trends and challenges. When employees are developed, it helps increase their performance and sustain the growth of organization.

Recruitment is central to any management process and its failure can increase difficulties for any organization, including adverse influence on its profitability and inappropriate levels of staffing or skills (Soliman, 2000). Gupta (2006) observes that selection can be conceptualized in either choosing “fit” candidates or rejecting the candidates, or a combination of both. The selection process rightly assumes that there are more candidates than the number of job openings available (Prasad, 2005). The basic idea in the selection process is to solicit maximum possible information about the candidates to ascertain their suitability for employment, given the fact that there are factors which affect the seeking of such information (Graham, 1996).

Simmons (2005) in his paper presented in Vancouver asserts that companies can only succeed in the long-term if they recruit and motivate people who are able to respond to and shape the challenges of the future. These are the individuals with the capacity to create competitive advantage from the opportunities presented by changing markets, with the desire to learn from customers, consumers, suppliers and colleagues, and who possess the ability to build and influence long-lasting and influenceive partnerships.

The recruitment of new employees helps to demonstrate a company’s aspirations, highlighting the skills and attitudes to which it attaches the highest priority, hence increasing job satisfaction. The choice also provides a major opportunity to communicate the values and successes of the organization to explain why the company offers the most attractive place for a person to develop their career.

Terpstra and Rozell (1993) have found a positive relationship between the extensiveness of recruiting, selection test validation and the use of formal selection procedures and firm profits. Other studies have shown that implementing an influenceive staffing process is positively related to organizational performance (Syed & Jama, 2012). Rauf (2007) also found that sophisticated recruitment and selection procedures are positively related to labour productivity. Dessler (2003) argues that there has been a significant amount of research examining what skills and qualities employers value most in job applicants. Qualifications, work experience and communication or interpersonal skills are the most frequently identified qualities. Work experience and qualifications are measures of competence in relation to an applicant's technical skills, whereas the concept of communication skills appears to be a generic term incorporating many different specific skills. Indeed, communication in the workplace encompasses team skills, leadership skills, the ability to negotiate with or persuade others, problem solving skills, organizational skills, crisis management skills, and presentation skills.

Other communication competencies include cultural adaptation, social competence and language proficiency. An applicant's success with job seeking is related to their ability to describe their experiences, skills and knowledge through a range of media. Thus, influenceive communication is an essential competency required by all job applicants.

Miyake (2002) indicated that while advertising is usual for job vacancies, applicants are sometimes recruited by word of mouth through existing employees. Besides being cheaper, the "grapevine" approach finds employees who stay longer (have low voluntary turnover) and who are less likely to be dismissed (have low involuntary turnover). People recruited by word of mouth stay longer because they have a clearer idea of what the job really involves.

Miyake (2002) reviewed five studies in which average labour turnover of those recruited by advertising was 51 per cent. The labour turnover for spontaneous applicants was 37 per cent and turnover for applicants recommended by existing employees was 30 per cent. One hypothesis proposed to account for this was the

“better information” hypothesis. It was argued that people who were suggested by other employees were better and more realistically informed about the job than those who applied through newspapers and agencies.

Kersley *et al.* (2006) reiterated the anticipatory socialization stage for students planning to enter professions, in particular the influences of recruitment and selection experiences on career expectations and orientation. They agreed that the nature of student job search activity, the possession of relevant work experience, and exposure to employers through recruitment and selection activities may form part of the “evolving sequence of a person’s work experiences” which contributes to anticipatory socialization.

It has been argued that exposure to employers through recruitment and selection is a social process where employers and potential employees gradually perceive a match. Through job search activities and awareness of employers’ recruitment literature and events, students gather information about the organization’s goals, values, climate and work practices to guide their ultimate decision.

Exposure to selection procedures provides information about the culture and attributes of an organization, and candidates form judgments from their perceptions of the fairness of the selection methods used. Delery and Doty (1996) argue that providing students with greater awareness of employment opportunities and equipping them with the ability to be proactive in approaching potential employers lead to more influenceive career self-management and selection processes.

Recruitment is the process of attracting, screening, and selecting qualified people for a job. According to Montana and Charnov (2000), recruitment includes sourcing candidates by advertising or other methods, screening potential candidates using tests and interviews, selecting candidates based on the results of the tests or interviews, and on-boarding to ensure that the candidates are able to fulfill their new roles influenceively. Recruitment forms a major part of an organization's overall resourcing strategies, which identifies and secures people needed for an organization to survive and succeed in the short- to medium-term (Elwood & James, 1996).

Moreover, as Zheng (2006) and Croucher (2008) point out, there is a positive and significant relationship between recruitment and selection and the performance of a firm. Sang (2005) also identified a positive association between recruitment and selection and business performance.

Others like Ichniowski and Shaw (1999), Katou and Bedhwar (2006), and Wright *et al.* (2005) also reported similar positive relationship between recruitment and selection and performance in Canada, in Finland and in New Zealand. Available evidence indicates that there is a positive and significant relationship between recruitment and selection and the performance of an enterprise (Gamage, 2014). Sang (2005) for example discovered a positive association between recruitment and selection and business performance. There was also a positive relationship between recruitment and selection and performance as noted by Ichniowski and Shaw (1999), Katou and Budhwar (2006) and Wright *et al.* (2005). Other studies, such as that by Syed and Jama (2012), have equally shown that implementing an influenceive recruitment and selection process is positively related to organizational performance.

Omolo *et al.* (2012) investigated the influence recruitment and election had on the performance of SMEs in Kisumu Municipality in Kenya. The study found that the overall average performance of SMEs in Kisumu Municipality was 60.71%. There was a significant positive correlation between recruitment and selection, and performance of SMEs at $\alpha = .01$. The average performance of SMEs with good recruitment and selection was 81.90%; with moderate at 67.94% and poor at 53.90%. Recruitment and selection account for 40.8% of the total variance in performance of SMEs. The study concludes that recruitment and selection have a significant influence on the performance of SMEs in Kisumu Municipality.

Kepha *et al.* (2012) sought to establish the influence of recruitment and selection on the performance of employees in research institutes in Kenya. His study adopted descriptive and correlation research designs. Its results revealed that the correlation between employee performance and recruitment and selection were highly significant, at 0.374 ($P=0.000$). The study recommended that research institutes strictly adhere to job specifications when filling vacant positions.

2.4.4 Reward Management Practices

Reward management is one of the strategies used by Human Resource Managers for attracting and retaining suitable employees as well as facilitating them to improve their performance through motivation and to comply with employment legislation and regulation. As a result of these pressures, HR managers seek to design reward structures that facilitate the organizations strategic goals and the goals of individual employees. Reward systems are very crucial for an organization (Maund, 2001). Rewards include systems, programs and practices that influence the actions of people.

The purpose of reward systems is to provide a systematic way to deliver positive consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance (Wilson, 2003). The only way employees will fulfill the employers dream is to share in their dream (Kotelnikov, 2010). Reward systems are the mechanisms that make this happen. They can include awards and other forms of recognition, promotions, reassignments, non-monetary bonuses like vacations or a simple ‘thank you’.

Research has suggested that rewards now cause satisfaction of the employee which directly influences performance of the employee (Khan *et al.*, 2010). Rewards are management tools that hopefully contribute to a firm’s influenciveness by influencing individual or group behaviour. All businesses use pay, promotion, bonuses or other types of rewards to motivate and encourage high level performances of employees (Reena *et al.*, 2009). To use salaries as a motivator influencively, managers must consider salary structures which should include the importance organizations attach to each job, payment according to performance, personal or special allowances, fringe benefits, pensions and so on (Adeyinka *et al.*, 2007).

Maurer (2001) showed that rewards and recognition are essential factors in enhancing employee job satisfaction and work motivation which is directly associated to organizational achievement. Khan, Farooq and Ullah (2010) conducted a study in which he examined the relationship between rewards and employee

motivation in commercial banks of Pakistan. The study focused on four types of rewards of which one was recognition, which he tested through Pearson Correlation. The results showed that recognition correlates significantly (0.65) with employee work motivation (Khan *et al.*, 2010).

Compensation and reward is an important feature of Human Resources Management. The compensation system that an organization offers to its employees plays an important role in determining the commitment levels of employees and their retention. According to Willis (2001), compensation is one of the crucial issues as far as attracting and keeping talent in organizations is concerned. The fundamental hypothesis is that money influences employee behaviour through shaping their attitudes (Parker & Wright, 2001). Therefore wages influence the attraction and retention of the workforce (Parker & Wright, 2001). The provision of a lucrative remuneration package is one of the broadly discussed factors of job satisfaction. Not only do rewards fulfill financial and material needs but they also provide a social status and position of power within an organization.

In a past study, Allen, Shore and Griffeth (2003) reported that employers have to differentiate themselves from others through their compensation strategy in order to attract and retain quality employees and hence improve the level of job satisfaction. Therefore, an organization's compensation strategy should be able to attract the right quality of employees, retain suitable employees and also maintain equity amongst the employees. One way through which employers can retain the workforce is through offering a good compensation package. An organization can only be successful in its retention strategy if it offers competitive, market-related pay and benefits because this motivates employees to become committed to the organization (Lockwood & Walton, 2008).

Mercer (2003) reported that employees remain in an organization if they are well rewarded, since a proper reward system raises the level of job satisfaction and also because they may leave if they are poorly rewarded. Employees are likely to stay in organizations where they believe that their capabilities, contributions and efforts are appreciated (Davies, 2001). Gomez-Mejia, Balkin and Cardy (2004) also stated that

internal equity and external equity should be observed in terms of remuneration if the compensation package is to be used as a retention strategy.

Pillay (2009) established that monetary and non-monetary rewards are important in order to raise employee job satisfaction. Monetary rewards reported to significantly increase employee job satisfaction included performance bonuses, reasonable salaries, and remuneration for scarce skills. Non-monetary rewards include promotions, child-care facilities, extended leave and recreation facilities. It was also reported that nurses view salary as the main source of dissatisfaction (Pillay, 2009). South African professional nurses who migrated overseas also cited financial reason as key reasons that influenced their decision to leave South Africa (Oosthuizen, 2005).

In contrast, Cappelli (2001) argues that due to the recent movement towards benchmarking, organizations are now facing difficulties in setting themselves apart from their competitors by means of remuneration, hence the impact of financial rewards on employee job satisfaction is reduced. However, regardless of many studies reporting that financial rewards to be are a poor motivating factor, remuneration packages still remain as a tactic employed by several organizations to improve employee commitment and job satisfaction (Mitchell, Holtom & Lee, 2001). A study conducted by Horwitz, Heng and Quazi (2003) also reported that compensation practices is still one of the most popular strategy to increase the level of job satisfaction. According to Teseema and Soeters (2006) there is a positive correlation between compensation practices and employee job satisfaction, hence their explanation that voluntary turnover is high among those employees who value high monetary rewards as part of their compensation package.

Shoaib, Noor, Tirmizi and Bashir (2009) recognize that employee rewards are very important since they have lasting impression on the employee and continue to substantiate the employees' perception and job satisfaction together with their value to the organization they work for. Moreover, they contend that employees judge the quality of their job in the intrinsic satisfaction and the personal reward they earn

from their work. Using intrinsic rewards to increase employee job satisfaction is achievable in all organizations.

Sutherland (2004) demonstrates that reward is the basic element, which indicates how much employees gain by dedicating their time and effort towards the achievement of company objectives; therefore, employers have the responsibility to design an attractive reward package to attract and retain valuable employees. Shoaib *et al.* (2009) also attest that it is important for employers to know the value employees place in their reward systems and to formulate strategies that address equitable and adequate reward for their employees. When appropriate reward strategies are understood and embedded in the organization's culture, productive employees remain (Shechtman, 2008). A valued employee is more likely to stay in employment than an unvalued employee is.

Sutherland (2004) argues that reward systems ought to be a significant sphere of job satisfaction for employers. The increasing diversity of the workforce, she states, suggests the need for more creative approaches in tailoring the right rewards to the right people. She concluded that recognition and reward are part of a more comprehensive effort at keeping workers or adopting good workplace practices, which can contribute to increased retention. Recognition programs are an important component of an employee retention plan. The importance of these kinds of program is rooted in theories of positive reinforcement (Perez, 2008).

A meta-analysis of 28 studies carried out by Yang and Lee (2009) has revealed that job enrichment is positively related to job satisfaction. Yang and Lee (2009) in their study on linking empowerment and job enrichment to turnover found out that there is a positive relationship between job enrichment and job satisfaction. Employees with enriched jobs are more likely to be satisfied with them (Raza & Nawaz, 2011).

Raza and Nawaz (2011) in a study on the impact of job enrichment on an employee's job satisfaction, motivation and organizational commitment found job enrichment to be a strong predictor of job satisfaction, motivation and organizational commitment. Employers normally expect that people with higher levels of job satisfaction have

higher levels of organizational commitment, and that a higher level of job satisfaction may lead to good work life and reduction in stress (Cote & Heslin 2003). In the same vein, if employees are highly satisfied with their work, co-workers, pay, and supervision and derive high level of overall job satisfaction with their jobs, they are more likely to be committed to the organization than if they are not satisfied (Wasi *et al* 2009).

An empirical study was conducted in Pakistan to measure the impact of reward and recognition on job satisfaction and motivation where 220 questionnaires were distributed and filled by employees of different sectors. The results showed that there exists a significant ($r=0.73$, $p<0.05$) relationship between recognition and employee work motivation (Rizwan *et al.*, 2010). An empirical study was conducted by Reena *et al.* (2009) to examine the impact of reward and recognition programs on employee motivation and satisfaction. A questionnaire was distributed to 80 employees of Unilever and data was analyzed through SPSS Version 16. The results showed that there is a statistically significant ($r=0.92$, $p<0.01$) direct and positive relation between recognition and employee work motivation (Rizwan *et al.*, 2010).

Ahmed & Ali (2008) carried out a research on the “impact of reward and recognition programs on employee motivation and satisfaction”. Research design used was exploratory. Sample chosen for the study was 80 employees of Unilever companies and data collection instrument used was a questionnaire. Pearson’s correlation was used to analyze data to determine the degree of relationship between reward and satisfaction and motivation. Major findings indicated a positive relationship between rewards and work satisfaction as well as motivation. Factors affecting satisfaction were identified; payment 86%, promotion 74%, works conditions 61%, personal 37%. Analysis showed support for a positive relationship between reward and employee satisfaction. The researchers recommended that further studies can be done on ‘impact of reward and recognition on motivation and satisfaction for diverse groups of people’ example gender, race and disability.

Duberg and Mollen (2010) undertook a study on reward systems within the health and geriatric care sector. The problem of the study was how reward systems designed

in health and geriatric care are and whether the current reward systems affect the care quality. The thesis aimed to extend the knowledge of reward systems in health and geriatric care and know how these systems are designed and what their influences on quality of health and geriatric care are.

The methodology took a qualitative approach and interviewed a sample of six leaders in both private and public organizations. Two of the leaders worked in geriatric care and four in health care. The theoretical framework was based on scientific literature about motivation and reward systems and also literature on wage conditions in the health care sector and the public sector was used. Findings showed that salary is an important aspect in the reward system; however, other incentives like bonuses and shares were seen to generate an enjoyable work place and happy workers than motivate employees to be more efficient. Results showed that conditions for working with reward systems in the public sector are limited due to the lack of resources and complex large organization structures with old traditions. This must be reconsidered to be able to work with well-designed reward systems similar to those in private care organizations. The researcher recommended that further studies should be done to compare reward system and investigate its impact on an organization in relation with one that does not.

Axelsson and Bokedal (2009) did a study on the influence of rewards on motivating different generations at Volvo Car Corporation. The thesis was based on a case study of Volvo Car Corporation in Göteborg. Empirical data was based on twenty interviews with managers at the company. Major findings showed that challenging work and non-monetary rewards motivate managers, unlike bonuses and shares. Titles do not motivate at all. However, opportunities for growth are motivating for both generations. It was concluded that there exists generational differences. However, both generations considered salary as important and non-monetary rewards to be of great importance. The authors recommended research to be carried out on reward systems and how they impact on other interesting aspects like gender, life stage.

Garlick (2009) carried out an online study of 1913 full-time employees and asked people to rank in order of preference 14 potential performance incentives. These performance incentives included common extrinsic rewards such as cash bonuses, gift cards, award points, and travel awards, as well as intrinsic rewards such as having more freedom and autonomy at work, being able to choose interesting projects, and being assigned to mentor other employees. Not surprisingly, cash bonuses were listed as the most preferred incentive by three-out-of-four people (74%) surveyed. Nine-out-of-ten (89%) listed cash bonuses within their top three preferences. However, the primary issue the study investigated was whether offering cash bonuses really influenced employee attitudes, as well as other business outcomes. The results showed that offering a cash bonus exclusively does not seem to make much of an impact on performance, despite the fact cash bonuses are nearly everyone's preferred reward. While cash bonuses are the most preferred reward for three-out-of-four, and among the top three rewards for nine-out-of-ten, those who only receive a cash bonus are just slightly more satisfied than those who get no reward at all. Furthermore, offering exclusively cash bonuses only seems to have very little impact on company performance, either in terms of increased customer service, or in increased profitability

Njanja et. al., (2013) found that cash bonuses have no influence on employee performance ($p=0.8$). This is because those who received cash bonuses and those who did not all agree that the cash bonus affect their performance in the same way. The organization should focus on changing the intrinsic nature and content of jobs. This increases employee motivation, as employees get more autonomy, more challenging job assignments and responsibilities. Further research can be done to find out the impact of other rewards on performance, e.g. owning equity. Research can also be done to identify other factors which may affect performance.

Such findings can enhance management of performance. Allen (2000) did research on talent management as an organization strategy to increase the rate of employee retention and concluded that organizations need to analyze employee talents and abilities to align them to their roles and responsibilities assigned to them. Mulwa

(2010) carried out research on benefits as a factor that affects employee turnover in World Vision and recommended that a review of existing benefits plan is needed to address staff expectations. Most researchers focus on a few components that lead to employee satisfaction and hence retention, leading to creation of a gap in the understanding and study of employee retention. Otieno (2010) studied employee compensation as a cause of staff turnover in private primary schools and recommended that employees should be well compensated as an indicator of management appreciation of the employees' contribution and ability.

Beckery (2011) explains that pay adequacy has the power to attract, retain and motivate individuals towards higher performance. Brown (2007) conducted a study to determine the effect of remuneration on job satisfaction. The research was carried out among 16266 workers and employees who work in more than 800 institutions to determine the factors of happiness at work. The results of the study: the quantity of salaries paid to employees affect the level of job satisfaction.

Other research work done revealed that salary raise can only influence jobs with low level income but not the high level ones and in some cases, a raise might have negative effect on job satisfaction. Therefore, there might be some evidence to suggest that the relationship is not linear, but it's rather a curvilinear one (Ward, 2001).

For example, Bender & Heywood (2004) found that university professors who receive high income in comparison with other jobs have high job satisfaction. In another study by Charles, Newsham, Brand, Donnelly and VeitchAries (2006) on the relationship between salary and job satisfaction, the researchers found out that there is a direct correlation between job satisfaction and salary after controlling the age variable. This means that job satisfaction for the salary increases with age due to the low financial responsibilities with the growth of age.

In a similar study by Clark (2001), the researchers examined data collected from more than five thousands employees. The result was that the job satisfaction declines with high level of education. This study suggests that expecting more of employees

according to their education level leads to negative effect on job satisfaction. Such a person may become dissatisfied with performing the routine tasks required of most jobs even if their salary might be higher than that of younger employees.

Such studies may indicate that the salary does not influence job satisfaction directly, but through other factors. Other studies indicate that salary amount is not important for job satisfaction but it rather the comparison income that the employees is setting up as referential point (Bowles, Gintis & Osborne 2001).

The above studies have dealt with reward in organizations and its relationship with factors such as employee motivation, employee performance, employee satisfaction and influence on quality of work done. Overall, the studies show reward to have a positive influence. However, different rewards seem to have a different impact on employee attitude, satisfaction and performance. There are mixed findings when it comes to individual rewards and their influence on performance.

2.4.3 Training Practices

Training is focusing on fixing a specific issue. Training is related with current performance and progress of an employee (Miller, 2006). Training is anything offering learning experience (Paul & Anantharaman, 2003). Training helps employees to be more specific with their job and organization and, as a result, increases employee job satisfaction and makes them work better. In today's business world, employee skills which are necessary to do their job are only possible through training. Most of the companies train their employees in such a manner that would help them to retain them throughout their careers. This kind of training can lead to high levels of motivation and job satisfaction by the employees, who actually see the opportunity they are given (Chiaburu & Tekleab, 2005).

Training offered to employees may help them reduce their anxiety or frustration, brought on by work demands that they are not familiar with and are lacking the skills to handle influencively (Chen *et al.*, 2004). Although there has been no direct link in the literature between training and job satisfaction, Rowden (2002) and Rowden and Conine (2005) propose that training may be used as a tool to increase job

satisfaction. Tsai *et al.* (2007) found that employees committed to learning showed a higher level of job satisfaction, with a positive influence on their performance. Job satisfaction has been defined as pleasurable or positive emotional state, resulting from an appraisal of one's job or job experiences. Training has been an important variable in increasing organizational productivity.

Most of researches including Colombo and Stanca (2008), Sepulveda (2005) and Konings and Vanormelingen (2009) showed that training is a fundamental and influential instrument in successful accomplishment of the firm's goals and objectives, resulting in higher productivity. But there is one important thing which should be taken into account: training leads to productivity if the unobserved heterogeneity and potential endogeneity are controlled.

Sirota *et al.* (2005) in an important study on motivation and job satisfaction, involving 135,000 respondents from various countries and groupings, established that organizations employing motivation schemes tend to be far more influenceive than those organizations that do not. The relationship between skill acquisition and job satisfaction is not straightforward. First, there is the distinction between general and specific skills. The portability of general skills may raise job satisfaction, as it is easier to move to other jobs where satisfaction is higher. In contrast, specific skills bind the worker to the firm and may reduce satisfaction by creating a barrier to exit as workers lose a portion of the return on such skills if they move. This leads to the question of the matching of individual skills and levels of education with job requirements. If workers are mismatched in terms of skill and education requirements, this may lower job satisfaction as evidenced in the earlier literature. In fact most studies have focused on over- and under-education rather than over-skilling and under-skilling. Thus, Hersch (1991) found that over-educated workers in the US were less satisfied than adequately educated workers and that over-educated workers received less on-the-job training, but were more likely to be promoted. Yet Battu *et al.* (2000) found a negative relationship between over-education and promotion for UK graduates and no evidence of employers upgrading tasks given to the over-

educated. They found that over-educated graduates had significantly lower job satisfaction than those who were in graduate-level jobs.

Training may influence workplace satisfaction directly by raising output per worker, or be measured indirectly through its impact on the wage on the assumption that this is equal to the marginal productivity of labour. However, this is not the case if there are imperfections in the product or labour markets. Deaden *et al.* (2000, 2006) were able to measure the impact on productivity directly using a panel of British industries over the period 1983 to 1996. They found out that a one percentage point increase in training was associated with an increase in value added per hour of about 0.6 per cent but an increase in wages of only 0.3 per cent, consistent with employer monopoly power in the labour market, so using wages as a proxy for productivity would tend to under-estimate actual productivity. This is because training increased the level of job satisfaction among employees, raising their performance. Over-education or over-skilling could also moderate the influence on job satisfaction.

Using data from the Danish section of the ECHP, Kristensen and Westergård-Nielsen (2004) found that specific training had a bigger impact on job satisfaction and productivity than general training. Mason *et al.* (1996) found that both the value added and product quality were higher where workers were trained to take charge of several production lines at once. Cosh *et al.* in a series of papers (2003) found that training had a strong and significant influence on job satisfaction in small firms when it was undertaken regularly rather than on an *ad hoc* basis. Especially for larger firms, there was also an association between intensity of training and profitability. Training may also stimulate innovation in the workplace.

Frijters *et al.* (2004) examined the factors influencing job satisfaction among the public sector teachers in England and Wales using a panel data of 29,801 observations on 7,989 different teachers drawn from the quarterly Labour Force Survey between 1997 and 2003. They argued that improving job satisfaction of teachers' jobs through non-pecuniary aspects has a larger impact on improving retention than increasing pay. Brown and McIntosh (1998) applied principal

components analysis to data from a survey of employees from three low-wage service sector companies.

According to Horwitz (2008), shortage of skills are a threat to economic growth. He argues that retention strategies are critical in a global market that is faced with the shortage of skilled workers. The skills shortage challenge is not a South African phenomenon alone. It is therefore important for business, government public and private sector leaders to address this critical component of employee retention for competitiveness in the service delivery.

Staff retention is important. Moseley *et al.* (2008) state that employee retention is important to organizations, as increased turnover creates instability and puts additional workload and stress on remaining staff, increasing job dissatisfaction and therefore potentiating the turnover cycle. Recent trends also show that employees now have a desire to obtain fresh skills, particularly technical skills, because acquisition of skills provides job security compared to seniority (Chaminade 2007). As a result, employees look for organizations that are prepared to afford them some training and development opportunities. This can be in the form of bursaries on the job training and ongoing development opportunities. This results in affective commitment because the employees strongly identify with the organization if their personal goals are being met by the organization (Coetzee & Schreuder 2013). This affective commitment often prompts employees to stay with the organization. Therefore, it is very important for any organization to provide its employees with adequate training and keep track of their level of job satisfaction.

Mutua, Karanja and Namusonge (2012) indicated that training is an important part of the various HRM practices, which are used for retention and development of employees. The different kinds of training given to employees, include on-the-job training, vocational training, general and specific training. They found that satisfaction with short-term rewards and long-term prospects were far more influential in determining overall satisfaction than contentment with social relationships or work intensity.

Training refers to a planned activity aimed at improving employee's performance by helping them realize an obligatory level of understanding or skill through the impartation of information (Forgacs, 2009). Armstrong (2009) on the other hand defines training as an application of the formal process to impart knowledge and skills that are pivotal to the realization of high output levels. It is the process of increasing knowledge and skills of employees required for the efficient performance of a particular job. Conversely, development entails the facilitation of learning that strives to broaden the employee's expertise and knowledge for future responsibilities and assignments.

Battu, Belfield and Sloane (2000) found a negative correlation between training and job satisfaction. Further, they established that overqualified workers had less job satisfaction than the less qualified. Green and Tsitsianis (2005) in a similar study found from a cross-section of employees that job satisfaction was lower for untrained employees. Verhaest and Omev (2004) reported that untrained staff were less satisfied, more mobile, participated less in training and gained less than trained employees. On the contrary, Buchel (2002) found no significant difference in job satisfaction between the over-educated and the adequately educated workers in his study of German firms. Training raises staff morale, reduces absenteeism and labour turnover, as training employees find their jobs interesting, satisfying and prefer to retain them (Saleemi, 2009)

According to Horwitz (2008), skills shortages are a threat to economic growth. He argues that retention strategies are critical in an international market that has experienced a low number of trained employees. The problem of the skills shortage is not a South African phenomenon alone. It is, therefore, important for business, government, public and private sector leaders to address this critical component of employee retention for competitiveness and service delivery. Moseley, Jeffers and Patterson (2008) state that employee retention is crucial for firms because it helps in achieving a high level of job satisfaction. There is a positive correlation between employee skills, attitudes and knowledge and the job satisfaction, and they boost one's morale and confidence. The resulting satisfaction of the employee's material

and psychological needs, such as job security and self-esteem, make him committed to the organization's goals and objectives (Saleemi, 2009).

Otuko *et al.*, (2013) indicated that there is a positive and significant influence between training needs assessment and employee performance in Mumias Sugar Company Limited. Training contents have a positive and significant influence on the employee performance in Mumias Sugar Company Limited, and training evaluation and employee performance were positive and significant. Previous studies have examined the relationship between training and workplace education programs, training and organizational outcomes, on-the-job training and commercial banks, training and the employee's work commitment and performance. But very few studies, if any, have addressed the influence of training on employee job satisfaction in sugar manufacturing firms in Kenya .Most studies have focused on the influence of training on organizational performance in manufacturing firms in developed countries. Very little research concerns developing countries. This study assesses the influence of training on employee satisfaction in sugar manufacturing firms in Kenya.

2.4.5 Talent Management Practices

Talent management is one of the primary management tools for 21st century human assets management (Cappelli, 2008) because the significant resource for firms competing in this century is no longer land, capital, and other tangible assets but the human capital necessary to adapt organizations to global competition and maximize the benefits associated with the current technological boom (Ingham, 2006; Ashton & Morton, 2005; McGee, 2006; McCauley & Wakefield, 2006).

Talent management is defined as the process of ensuring that the organization attracts, retains, motivates, and develops the talented people it needs (Cappelli, 2008). It is a set of designed processes that ensure that employees are properly rotated at the jobs available in the organization and that the right person is in the right job at the right time (Cheloha & Swain, 2005; Kesler, 2002; as cited in Shaemi *et al.*, 2011). Talent can be divided into natural talent and acquired talent (Shaemi *et*

al., 2011). TM in organizations should combine both. It should not stop at job rotation and succession planning, but it is also about learning and development. One component of it is to identify potential employees.

As explained by Altman (2008), “As the skills shortage bites, keeping hold of your best people is becoming all-out war. TM is more than just a buzzword”. A talented individual with high potential generate better results. This is not easy to achieve. Managers need to find, attain, retain, and manage the individuals who are talented (Davis, 2007). Therefore, TM also relates to employee empowerment (Loftus, 2007).

Talent Management (TM) practices and policies that demonstrate commitment to human resources result in more engaged employees and high level of employee satisfaction. Retaining talented employees has become one of the major priorities of organizations and the key differentiator for human capital management, thus improving the level of employee satisfaction (Glen, 2006). In today’s rapidly moving, uncertain and highly competitive global markets, firms worldwide are facing major decisions and challenges in the global talent management (Schuler *et al.*, 2011; Scullion *et al.*, 2010; Tarique & Schuler, 2010). Over the past few years, organizations have developed a keen interest in the field of talent management, with surveys showing that at least 75% of CEOs acknowledge that talent management is on top of their agendas (CIPD, 2007; Veredus, 2006).

Talent-management practices can create the most permanent competitive advantages, new technologies and innovations can be easily be replicated by competitors and generate only temporary. Competitive advantages, thus creating more employee satisfaction (Heimenet *al*, 2004). People, intellectual capital and talent are ever more critical to organizational strategic success (Frank & Taylor, 2002). For many organizations, the ability to hold on to highly talented core employees is crucial for future survival. Consequently, talent management is now viewed as a tool to strengthen organizational capability through individual development, performance enhancement, Career Management and succession planning (Christensen, Hughes, & Rog.). In this study, the talent management practices refer to how the organization attracts, develops, retains, motivates, manages, and rewards its talent.

Talent management has been viewed as a relatively new concept but there is nothing new about the various approaches contained in this concept which include attracting, retaining, motivating, developing and succession planning of the human resource in an organization. According to Beardwell (2010), the term talent management was first coined by the McKinsey Group in the late 1990s when they warned that a „war for talent“ was imminent due to a predicted shortage of people with leadership potential. Talent and leadership has been viewed to continue to be scarce in many countries in that fewer workers and leaders are entering the workforce to replace aging employees who leave organizations to retire. Creating a talent pool in organizations is therefore inevitable, as it aims to develop and maintain a work force that is skilled, engaged and committed.

Armstrong (2008) defines talent management as the use of an integrated set of activities to ensure that the organization attracts, retains, motivates and develops the talented people it needs now and in the future. According to Price (2007), talent management is a strategic and integrated approach to developing a skilled and competent workforce, involving targeted recruitment, development and retention. Similarly, Dessler (2011) sees Talent management as „the automated end-to-end process of planning, recruiting, developing, managing, and compensating employees throughout the organization. According to Elegbe (2010), talent management to some refers to the process an organization adopts for managing those with scarce skills and to others it is how they manage all their human resources irrespective of the worth, status and capabilities of each individual employee.

Talent management is not merely a process of managing physical human bodies or disparate human resource management processes and systems, but rather an integrated and comprehensive approach to managing the abilities, competencies, skills, needs, concerns, careers, fears and expectations of the people that an organization values and needs to make it great and highly influenceive. This definition is also anchored by Lawler (2008) who states that influenceive talent management is not just about attracting, developing, and retaining the best talent; it is

about organizing and managing people so that they perform in ways that lead to excellent organizational performance.

Talent management is one of the primary management tools for 21st century human assets management (Cappelli, 2008) because the significant resource for firms competing in this century is no longer land, capital, and other tangible assets but the human capital necessary to adapt organizations to global competition and maximize the benefits associated with the current technological boom (Ingham, 2006; Ashton & Morton, 2005; McGee, 2006; McCauley & Wakefield, 2006; Heinien & O'Neill, 2004). Employee Engagement is a heightened emotional and intellectual connection that an employee has for his/her job, Organization, manager, or co-workers that in turn influences him/her to apply additional discretionary effort to his/her work.

Talent Management practices and policies that demonstrate commitment to human resources result in more engaged employees and high level of job satisfaction. Consequently, Employee Engagement has a substantial influence on employee productivity and talent retention. Employee Engagement and Talent Management combined can make or break the bottom line (Lockwood, 2006). Tiwari *et al* (2013) investigated the strategies and practices of talent management and their impact on employee job satisfaction and influenciveness of its execution. The study revealed that the age of employees is independent from satisfaction but experience of employees does affect the satisfaction with the practices of talent management.

In an article titled "Developing In-house Careers and Retaining Management Talent", Walsh and Taylor (2007) revealed that although compensation and work and life balance are important, it is the absence of opportunity for professional and organizational growth and development that affects job satisfaction (Walsh and Taylor, 2007). Ross (2005) revealed that job satisfaction starts at the hiring stage, with companies recruiting employees whose talents and interests fit with both the short- and long-term needs of the organization. Altrnaz *et al* (2013) considered influences of talent management on job satisfaction in Ankara hotels and revealed that changing mid-range and senior hotel executives' perceptions of talent management in a positive way have a positive impact on trust in the organization.

Retaining talented employees has become one of the major priorities of organizations and the key differentiator for human capital management, thus improving the level of job satisfaction (Glen, 2006). In today's rapidly dynamic, uncertain and highly competitive global markets, firms worldwide are facing major decisions and challenges in the global talent management (Schuler *et al.*, 2011; Scullion *et al.*, 2010; Tarique & Schuler, 2010). Over the past few years, organizations have developed a keen interest in the field of talent management with surveys showing that at least 75% of CEOs acknowledging that talent management is on top of their agendas (CIPD, 2007; Veredus, 2006).

People, intellectual capital and talent are ever more critical to organizational strategic success (Frank & Taylor, 2002). For many organizations, the ability to hold on to highly talented core employees is crucial for future survival. Consequently, talent management is now viewed as a tool to strengthen organizational capability through individual development, performance enhancement, career development and succession planning (Christensen, Hughes, & Rog,).

Talent-management practices can create the most permanent competitive advantages, new technologies and innovations can be easily be replicated by competitors and generate only temporary competitive advantages thus creating more job satisfaction. Sustained competitive advantage comes from talent management practices; in other words, how the organization attracts, develops, retains, motivates, manages, and rewards its talent (Heimen *et al*, 2004). Like a machine, a business fails to operate successfully if key elements such as processes, systems, and structure are misaligned or hindered by friction between those element and, like a machine, a business must be designed, operated, and maintained. These functions are performed by the talent of the human capital employed by the enterprise. Indeed, talent, i.e., an organization's employees, typically is the single biggest lever for driving improvements in business performance. The collective skills of the talent employed in an organization largely comprise the organization's core capabilities. An organization's talent injects capabilities that are very difficult for competitors to

benchmark and replicate. More than any other asset, talent provides the potential for long-term competitive advantage (Lawler, 2008).

According to Ballesteros *et al*, (2010), 73% of the executives in USA agree on the positive relationship between talent management and job satisfaction to obtain the success of the organization. It means that companies recognize the importance of talent management integration with business strategy to get organizational excellence .Talent management is important when the firms want to build winning teams which are made up of talented people (Davis *et al*, 2007). They can use this teams to solve problems or weaknesses in their organization because they have competent and experienced people in this fields. If a firm wants to be successful, it must invest in talent management of their workers to obtain some conditions in the company like good business environment (Snell, 2005).

According to Ballesterous (2010) and Mohammed (2015), this ensures that the right employees maximize their talent for optimal success of the organization. Talent management involves mechanisms put in place to ensure attraction, retention and development. The employment relationship is undergoing fundamental challenges that have implications in attracting, motivation and retention of talented employees and talent shortage has resulted to fierce competition (Nyanjom, 2013). Although talent management is a relatively new area for both public and private sectors, most organizations have prioritized it to ensure they acquire the staff (Kagwiria, 2014). This is because talent management has been linked to successful attraction, retention and development of employees (Baheshtiffar, 2011).

Today, more value has been accorded to the human resources, as they are regarded as talent working within firms (Kahinde, 2012). Companies are also discovering that not only is it becoming increasingly difficult to recruit top talent, but that they are also running the constant risk of losing the ones they have to competitors. For many organizations, the ability to hold on to highly talented core employees is crucial for future survival. Over the past few years, organizations have developed a keen interest in the field of talent management with surveys showing that at least 75% of CEOs acknowledging that talent management is on top of their agendas (CIPD, 2007).

Consequently talent management is now viewed as a tool to strengthen organizational capability through individual development, performance enhancement, career development and succession planning (Christensen, Hughes & Rog.).

Kenya faces the challenge of shortage of talent. As a result, hiring, retaining and motivating professional talent is becoming challenging. For example, early retirement leads to shortage of staff, as there are no qualified personnel to fill these positions (Kagwiria, 2014). State corporations in Kenya as is the case with most African countries have been faced with a myriad of challenges which include low staff morale and motivation which has been one of the problems afflicting Kenyan state corporations leading to loss of qualified personnel (Tetty, 2006). In spite of this fact, state corporations in Kenya continue to play an important role in the production and creation of wealth necessary for enhancing national development. For them to play this role, it is important that they are governed and managed influenceively, efficiently and sustainably (Wario, 2012). The most critical problem is hiring, retaining, training and motivating professional talent in a scenario where there is already critical shortage of human talent. This affects all kinds of areas whether professional or nonprofessional Management in Kenya. Being so, human talent is more critical to ensure the competitiveness of a company for the long term for proper Management in Kenya (Athanne, 2012). Murungi (2012), in his study on staff retention strategies in Kenya, states that many state corporations in Kenya are faced with the challenge of staff retention caused by movement of staff to organizations that are receptive to change.

In Kenya, many organizations have not yet embraced the concept of talent management and thus face critical challenges in recruitment and retention of talented staff. Parastatal reforms have been an intractable public issue for a long time, but none of the reforms suggested has addressed areas of talent management unlike most private organizations which have started recognizing the role of talent management on employee retention and, now, employing talent management strategies to recruit and develop young talented employees. The increasing customer expectations, corporate obligations and responsibilities necessitate a continuous review of the

services being offered by the state corporations to meet changing user needs. This calls for the development of talent management programs in order to help in recruitment and retention of talented staff that could play a significant role in improvement of the quality of public service delivery process

Mangusho *et al* (2015) conducted a study on influence of talent retention on employee performance, assessing how talent attraction impacts, and influences learning and development on employee performance in the beverage industry in Kenya. The study adopted a descriptive research design in which the target population was 2,500 employees of Del Monte Kenya. The study used stratified sampling method to select 83 employees according to their job cadres. Descriptive statistics such as the standard deviation, percentages and frequency distribution were used. The study established that the job retention motivated the employees of Del Monte, leading to ultimate performance. The study recommended that the management should ensure the work environment was attractive to the employees so as to motivate, thus leading to better performance

2.5 Research Gaps

HR practices have been studied extensively among manufacturing and small and medium enterprises, but very few studies in the sugar manufacturing firms in Western Kenya have been conducted, particularly with a focus on the influence of HRM practices. These theoretical and empirical studies have generally focused on HRM practices on organizational performance and not on the influence of employee satisfaction (Guest, Michie, Sheehan & Metochi, 2000).

Review of previous research on performance appraisals indicates that performance has significant influence on job performance, firm performance, employees committee and job satisfaction (Levy & Williams, 2004; Pichler, 201; Kumar & Gupta, 2012; Brown *et al.* 2010; Kuvaas, 2006; Caruth & Humphreys 2006; Levy & Williams, 2004; Ndirangu & Ngari, 2014; Owuor, 2005; Richu, 2007; Jematia 2008). But these studies did not give conclusive results on how performance appraisal affect job satisfaction in sugar manufacturing firms in Kenya. None of the above studies

has demonstrated how performance appraisal affects job satisfaction in sugar firms in Kenya.

From the above studies on recruitment practice, studies by Ballantyne (2014), Pilbeam and Corbridge (2006), Gupta (2006), Syed and Jama (2012), Miyake (2002), Kersley *et al.* (2006), Omolo *et al.* (2012), Syed and Jama (2012), and Kepha *et al.* (2012) provide a useful overview of potential positive and negative aspects, noting that the recruitment and selection of employees is fundamental to job satisfaction in any organization. However, despite more literature on selection and practices as best HR practices, there is not much information that is available on the role of recruitment and selection on the performance of employees in sugar manufacturing firms in Kenya. This study, therefore, sought to explore how recruitment and selection influence employee performance in sugar manufacturing firms in Kenya.

Most of the researches, including the ones by Colombo and Stanca (2008), Sepulveda (2005), Konings and Vanormelingen (2009), Sirota *et al.* (2005), Battu *et al.* (2000), Frijters, *et al.* (2004), Mutua, Karanja and Namusonge (2012) and Otuko *et al.*, (2013) have examined training programs, but very few studies, if any, have addressed the influence of training on employee job satisfaction in sugar manufacturing firms in Kenya. Most studies have focused on the influence of training on organizational performance in manufacturing firms in developed countries, but little research has been done in developing countries. This study assesses the influence of training on employee job satisfaction in manufacturing firms in Kenya.

In all, many HR researchers have turned their attention to HR strategies in one sector, either public or private, but not both; however, HR practices in manufacturing firms in sugar firms have not been adequately addressed in the literature. This study addresses this gap in literature. Quite a number of studies have been conducted in Western countries which are more developed than Kenya, but no previous studies have been carried out in Kenya to determine the relationship between talent management and organizational performance. This study sought to bridge the knowledge gap by investigating the influence of talent management on sugar manufacturing firms in Kenya.

2.6 Summary

This chapter has reviewed the work done previously by other researchers on how HRM practices affect employee satisfaction. In particular, the literature has been reviewed on the following sub-headings: human resource planning practices, recruitment and selection practices, training practices, reward management practices and motivation practices. Knowledge gap and summary of the literature have been identified. Moreover, the gaps on the sub-topics have been stressed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter provides a detailed methodology used in this research in terms of research design, target population, sample selection and size, research instruments, validity and reliability of instruments, data collection procedures and data analysis techniques.

3.2 Research Design

This research adopted a Mixed Research Design. The research design included descriptive survey and correlation research designs. The implication is that the research design was both qualitative and quantitative in nature.

The aim of a correlation field study (survey) is to assess the extent of the relationships (correlations) between the independent variables and dependent variable(s). The variables are selected to help answer research questions, to test hypotheses, and are usually chosen based on a theory or theories that underlies the explanation proposed for the phenomenon being examined (Cooper *et al.*, 2007). A correlation research study allows the researcher to describe in quantitative terms the degree to which two or more variables are related. Correlation studies usually explore the relationship between measures of different variables obtained from the same individual at approximately the same time to get better understanding of factors that contribute to a more complex characteristic (Martens, 2009). This research design was used to establish the relationship between HRM and job satisfaction. The researcher described the degree to which the quantitative variables are related by use of Pearson product moment correlation coefficient. While descriptive survey design since it sought employee's opinions on HRM practices and their satisfaction. Creswell (2014) states that descriptive studies present facts, existing conditions concerning the nurture of persons, a number of objectives or class of events and may entail procedures of enumeration and induction analysis, classification details and measurement.

Descriptive survey was used to systematically meet realistic proven information necessary for judgement. Kothari (2008) notes that a survey is preferred due to the following reasons: It enables the researcher to examine various data and the relationship between other unknown situations in the prevailing scenarios; it is concerned with present relationship of variables and processes taking place in the study area; it influences at a particular time and attitudes held by the respondents being interviewed; and it enables the research to collect data from a wider area in a shorter time, thus cutting down on costs.

Using several different methodologies and techniques of analysis, therefore, can give much more accurate and insightful findings than where only one method of data collection and analysis has been used. Virtually every technique of data collection and analysis has some weakness and therefore using several methods of data collection and analysis can help offset these weaknesses (Lancaster, 2005)

Qualitative and quantitative research methods differ in many ways, but they complement each other as well. All social researchers systematically collect and analyse empirical data and carefully examine the patterns in them to understand and explain social life (Neuman, 2007). According to Kothari (2014) the purpose of survey investigations may also be to provide scientifically gathered information to work as a basis for the researchers in their conclusions.

3.3 Population

A population is the whole group of individuals, events or objects having common evident features. A target population is that population to which a researcher wants to take a broad view of the results of a study (Coolican, 2013). Kasomo (2006) describes the target population as the aggregate of all cases that conform to designated sets of specifications to which the study generalized the results. In this study, the target population comprised 8859 employees in all the sugar firms including the 58 managers (KSB, 2015; Firms Employee Database, 2015).

Table 3.1 Target Population

| Publicly owned manufacturing firms | sugar employees | Total Number (%) | Proportion of Managers (%) | Proportion |
|------------------------------------|-----------------|------------------|----------------------------|------------|
| Nzoia Sugar Company | 1234 | 99 | 12 | 1 |
| Muhoroni Sugar Company | 870 | 99 | 8 | 1 |
| Mumias sugar company | 1786 | 99 | 9 | 1 |
| Chemeril sugar company | 841 | 99 | 9 | 1 |
| Butali Sugar Company | 2488 | 99 | 12 | 1 |
| West Kenya Sugar Company | 1582 | 99 | 8 | 1 |
| Total | 8801 | | 58 | |

3.4 Sampling Frame

The sample size was obtained using the following Nassiuma (2000) formula;

$$Nc^2 / c^2 + (N - 1)e^2 = n$$

Where, n=Sample size, N=Population, c=covariance, e= standard error

Nassiuma, (2000) asserts that in most surveys, a coefficient of variation in the range of $21\% \leq C \leq 30\%$ and a standard error in the range $2\% \leq e \leq 5\%$ is usually acceptable. Therefore a coefficient variation of 30% and a standard error of 2% were used. The higher limit for coefficient of variation and standard error was selected so as to ensure low variability in the sample and minimize the degree or error

$$\frac{8859(0.3^2)}{0.3^2 + (8859 - 1)0.02^2} = 219 \text{ employees}$$

Using this formula a sample of 219 employees were selected.

3.5 Sampling and sampling Technique

Kasomo (2006) explain that a sample contains characteristics present in the target population and have independent chances of being selected. The sample was distributed as shown in fig. 3.2 with 99% being other employees and 1% being management staff. Two population frames, were prepared by consolidating the staff lists supplied by the human resource departments in the different sugar companies. One comprised all the employees' not in management and the other comprised those in management. Simple random sampling was then used to identify study elements from each of the two strata (Kothari, 2004).

Table 3.2 Sample Size

| Public | | Number of employees | Proportion of strata (%) (1234/8640x100) | No. of employees in sample | Managers | Proportion of strata (%) | No. of employees in sample |
|--------------------|-------|---------------------|---|----------------------------|----------|--------------------------|----------------------------|
| Nzoia Company | Sugar | 1234 | =14 (870/8640x100) | 23 | 12 | 21 | 3 |
| Muhoroni Company | Sugar | 870 | =10 (841/8640x100) | 2 | 8 | 14 | 2 |
| Chemelil Company | Sugar | 841 | =9 (2488/8640x100) | 2 | 9 | 15 | 2 |
| Butali Company | Sugar | 2488 | =29 (1582/8640x100) | 47 | 12 | 20 | 3 |
| West Kenya Company | Sugar | 1582 | =17 (1786/8640x100) | 28 | 8 | 14 | 2 |
| Mumias company | sugar | 1786 | =21 | 34 | 9 | 16 | 2 |

Stratified sampling was then used to identify the employees and managers for the study. The staff were stratified according to two categories (manager and non-manager). Using proportional allocation, the proportion of each category which was to be studied was worked out as in Table 3.2.

Thereafter, the numbers were keyed in the SPSS software which aided in randomly selecting preferred sample size. For instance, if the SPSS picked number 2, the researcher cross-checked with the employee with number 2 as the one to be selected. This method had the benefit of yielding research data that was generalized to the larger population. All managers from every industry in the sample categories were selected for the study.

3.6 Data Collection Instrument

The researcher developed the research instruments based on the objectives of the study. The study used both primary data and secondary data. Primary data are information collected by a researcher specifically for a research assignment. Primary data was collected using questionnaires.

3.6.1 Primary Data

A questionnaire refers to a collection of items to which a respondent is expected to react to, usually in written form (Kothari, 2008), while Sekaran (2013) says that questionnaires are resourceful data collection instruments which enable the researcher to know what was required and how to measure the variables of concern. Questionnaires are easy to administer and analyse. The questionnaires are advantageous because they cover a large population within a short time at a minimal cost on the part of the researcher and intensify independence and accuracy of responses from the respondents (Sekaran, 2013). Structured questionnaires were administered to sampled employees. The questionnaire was chosen because it provides a more comprehensive view than any other research tool. The questionnaire was used to obtain primary data from the sampled population.

The questionnaires were formulated according to study objectives in a systematic procedure. The researcher administered the questionnaires personally to the respondents and thereafter the filled questionnaires were collected for data analysis. The questionnaire was sub divided into five sections. Section A dealt with demographic description of the respondent, such as working experience of the

employee, gender of the employee and professional qualification of the employee. Section B provided research objectives.

This study made use of face-to-face interview as a method of data collection. An interview schedule is a set of questions that an interviewer asks while interviewing the respondent. Interviews were used in collecting data from the managers. An interview schedule made it possible to obtain information necessary to meet exact goals of the study (Orodho, 2012). The study modified Seidman (2005) interview techniques’.

Interviews are easy to administer since questions are already prepared. The investigator follows a firm method and seeks answers to a set of pre-conceived questions through individual interviews (Kothari, 2008). An introductory letter was sent to the targeted head employee prior to the study. Kothari (2008) observes that interview schedule is mainly appropriate for exhaustive investigation. Some of the advantages of using interviews are that the researcher may obtain more information as well as supplementary information about the respondents. Personal characteristics and the environment are often of great value in interpreting results. Interviews enable the researcher to get in-depth information and the required data through the use of probing questions. Interviews eliminated many sources of bias, common with other instruments.

Questionnaires and interview schedules were used to collect data. Questionnaires were administered to the employees and heads of department, while interviews were used to collect data from human resource managers of public sugar manufacturing firms in Western Kenya.

Questionnaires work best with standardized questions that are interpreted the same way by all respondents. Questionnaires therefore tend to be used for descriptive or explanatory research such as that undertaken using attitude and opinion questionnaire and questionnaires of organizational practices (Saunders *et al.*, 2009). Questionnaire on this study was designed by adapting questions from various sources and others were developed by the researcher.

3.6.2 Secondary Data

Multiple sources were used to collect secondary data. Published books in the fields of HRM and desk research methodology were used. Additionally, published journals provided necessary literature in this research. Government reports, and other reports published by the firms that play an oversight role in sugar manufacturing firms in Kenya were used

3.7 Data Collection Procedure

This sub-section covered validity and reliability of the research instruments.

3.7.1 Validity

According to Mugenda and Mugenda (2002) validity refers to the accuracy and meaningfulness of inferences made, based on results obtained. It is asking a relevant question framed in the clearest way. The research adopted the content validity to measure the validity of the instruments to be used. Content validity enables data being collected to be reliable in representing the specific content of a particular concept. An instrument that yielded valid data is designed and then subjected to similar samples. Inferences are then made and compared to the existing theories. Content validity was established on three levels. The researcher critically considered each item to see if it contained a real representation of the desired content and to see if it could measure what it is supposed to measure. Developed instruments were then presented to the supervisors and the research experts in the School of Business to evaluate the applicability and appropriateness of the content, clarity and adequacy of construction of the instrument from a research perspective.

Instruments of the research were presented to Nzoia Sugar Company in Bungoma County for piloting to ensure content clarity. Upon completion of the pilot study, the data was reviewed and any item that was not clear was modified accordingly. The Content Validity Index (CVI) was used to quantify the content validity. An expert panel was purposefully selected using the supervisors and experts from the department. The most important criterion for selection was a high level of expertise with self-management support. Five (5) experts were selected and the researcher

requested them to assess the content validity by rating each item on a 5-point rating scale (1=very good, 5=very poor). The ratings were analysed by computing an item-level CVI (I-CVI) and a scale-level CVI (S-CVI). I-CVI was computed by dividing the number of experts who were to rate the goodness of an item with 3, 4 or 5, according to the number of experts. According to Lynn (1986), when the total number of experts is ten, an item must achieve the minimum agreement of eight experts. The S-CVI was computed by averaging the I-CVIs. According to Polit and Beck (2007), the S-CVI should be 0.90 or higher

3.7.2 Reliability

Reliability refers to the degree to which the instrument yields the same results on replicated trials (Orodho, 2009). It is therefore the degree of consistency or whether it can be relied upon to produce the same results when used in two or more attempts to measure theoretical concepts. Reliable measuring tool need not be applicable (Kothari, 2008). Triangulation in qualitative research gives greater perspective and allows for more credibility in one's findings. When the findings from methods and data sources converge one has more confidence in them, when they diverse, this presents an opportunity to take a closer look at all data to gain a better understanding of the phenomenon being studied (Eileen, 2010). Since triangulation helped to increase its vigor. To ensure reliability of the questionnaires, a pilot study was carried out in Kibor Sugar Company. This firm was used for piloting because it shares similar conditions. The variables were tested for reliability by computing the Cronbach Alpha statistical tests, where reliability coefficients around 0.90 are considered excellent, values around 0.80 as very good and values of around 0.70 as adequate (Koul, 2005). The piloting of the questionnaire was to identify faults so as to improve its reliability.

3.8 Pilot Test Study

This refers to the important assessment of the coded data and making inferences (Kombo & Tromp, 2009). Once the questionnaires were collected by the researcher, they were coded and fed into the SPSS computer software and analysed. Initially screening of data was done using sort functions. Data was based on the objectives

and research question of the study. Quantitative data collected was analysed using descriptive statistical techniques which were frequencies, mean, standard deviation. Qualitative data was categorized and reported in emergent themes. Measures of central tendency gave expected summary statistics of the variables being tested. The findings were presented by use of frequency distribution tables that gave record of the number of times a score or a response occurs. Descriptive statistics gave the profile of the target population, i.e. frequencies and percentages, means, standard deviations, whereas inferential statistics to be used were ANOVA/T test, Pearson correlation and the Multiple Regression Analysis Model so as to determine the influence of remuneration on employee turnover. Multiple regressions and correlation as a form of inferential statistical analysis were used in determining the relationship between the dependent and independent variables. The model used:

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 i_3 + \beta_4 x_4 + \beta_5 x_5 + \varepsilon$$

Where;

Y = job satisfaction

α = Alpha (constant)

β_0 β_5 = regression Coefficient to be estimated

X_1 = performance appraisal practices

X_2 = recruitment and selection practices

X_3 = training practices

X_4 = reward management practices

X_5 = talent management practices

e = stochastic term.

All the above statistical tests were done using the Statistical Package for Social Sciences (SPSS) Version 20. All tests were two-tailed. Significant levels were measured at 95% confidence level, with significant differences recorded at $p < 0.05$

3.9 Data Analysis and Presentation

3.9.1 Underlying Assumptions of multiple regression model

A regression model is a mathematical representation of what and how independent variables are related to the dependent variables. All regression models have assumptions, and violation of these assumptions can lead to unreliable results. The following assumptions that underline multiple regression model of analysis were assessed:

- i. Normality is the assumption that the scores on a continuous variable are normally distributed about the mean, (Thereon *et al.*, 2007). Normality of independent variables was tested using mathematical methods. The normality of distribution was inspected using the degree of Skewness and Kurtosis of variables. Similarly, the normality of distribution was also checked by use of Kolmogorov-Smirnov test.
- ii. Linearity refers to the degree to which the change in the dependent variable is related to change in the independent variables (Hair *et al.*, 2010). Linearity between the dependent variable and each independent variable was tested using Pearson's Product Moment Correlation Coefficient (PPMC). The goal was to assess the strength of linear relationships among variables.
- iii. Homoscedasticity refers to the assumption that dependent variable exhibits similar amounts of variance across the range of values for independent variable around the regression line, meaning they have equal spread.
- iv. Multi-Collinearity refers to the presence of high correlations between independent variables (Williams *et al.*, 2013). In this study, multi-Collinearity was assessed by means of tolerance and Variance Inflation Factor (VIF) values. Normally, a tolerance value of below 0.01 or a VIF value greater than 10 reveals serious multi-Collinearity problem (Hair *et al.*, 2006; Leech *et al.*, 2011). Tolerance indicates the amount of variability of the particular independent variable not explained by other independent variables, whereas VIF is the inverse of tolerance statistic.

3.9.2 Operationalization of Study Variables

The study dependent variable was job satisfaction practices, while independent variable were performance appraisal practices, recruitment and selection practices, training practice, reward management practices and talent management practices, which were measured using items stated below under 5-point Likert Scale.

a. Job Satisfaction Practices

The concept of employee job satisfaction is a multi-dimensional and interdisciplinary term that has attracted the attention of researchers and practitioners from different disciplines such as psychology, human resource management, organizational behavior, TQM and so forth. In literature there are a large number of studies that analyze the term from many different perspectives and its relationship with various organizational variables (Lund, 2003). However, there is no universal definition of employee satisfaction that exposes all these dimensions at the same time (Bernal, et. al, 2005).

Job satisfaction is a pleasing or positive emotional state resulting from the evaluation of a person's job (Haque & Taher, 2008). Job satisfaction is also defined as an individual's general attitude regarding his or her job (Robbins, 1999). Motivation is closely related to job satisfaction. Various factors such as an employee's needs and desires, social relationships, style and quality of management, job design, compensation, working conditions, perceived long range opportunities, and perceived opportunities elsewhere are considered to be the determinants of job satisfaction (Griffin, 1999). Job satisfaction has a significant influence on employees' organizational commitment, turnover, absenteeism, tardiness, accidents, and grievances (Moorhead and Griffin, 1999). According to Robbins (2009), a satisfied workforce can increase organizational productivity through less distraction caused by absenteeism or turnover, few incidences of destructive behavior, and low medical costs.

Job satisfaction is in regard to one's feelings or state-of-mind regarding the nature of their work. Job satisfaction can be influenced by a variety of factors, for example pay

practice, quality of one's relationship with their supervisor, quality of the physical environment in which they work whereby turnover refers to the characteristic of a given company or industry, relative to rate at which an employer gains and loses staff. For example, if an employer is said to have a high turnover, it means that employees of that company have a shorter tenure than those of other companies in that same industry. Job satisfaction and turnover are basically related by which job satisfaction has directly influence on the turnover. Vast literatures exist on the relationships between two variables as mentioned. Griffeth, Hom and Gaertner (2000) give precisely a negative association between job satisfaction and staff turnover.

Amah (2009) stressed that job satisfaction was found to have a direct negative relationship with turnover intention. These results indicate that the influence of job satisfaction on turnover can be enhanced in two ways; namely, when employees find congruence between their job and their self-identity, and when involvement in such jobs enhances their overall life satisfaction. On the other hand, turnover can be considered as cost of running a business. As mentioned by Khilji and Wang (2007) reported that the impacts of labor turnover on a hotel's bottom line could be classified into direct costs and indirect costs. Direct costs are essentially financial consequences that include administrative costs as a result of increased recruitment and training expenditure of new employees.

Job satisfaction can be defined as that which gives employees the motivation to continue with the daily work or makes him or her actually want to go to work or gives him or her the urge to take up a new assignment or project. One of the factors that leads to job satisfaction is recognition and encouragement where an organization has a good evaluation system and the employee's work is recognized and then he is encouraged and motivated to continue contributing to the organization. Job satisfaction focuses on the role of the employee in his or her workplace hence defines job satisfaction as influenceive orientations on the part of individuals towards work roles which they are currently occupying. 8 Job satisfaction can be said to refer to the attitude and feeling people have about their work. Job dissatisfaction is characterized

by negative and unfavorable attitudes towards the job and positive and favorable attitudes towards the job indicate job satisfaction (Armstrong, 2006).

The study developed the following items under 5-point Likert Scale to measure job satisfaction, which include: I am happy with the assistance given by the sugar firm in terms of money, leave subscriptions; I am happy with the sugar firm's assistance for housing; The sugar firm provides comfortable working environment (space, light, seating arrangement, air condition, etc.); I am satisfied with the value of increment in pay; I feel I am valued at the sugar firm; The sugar firm gives enough recognition for work well done; I am happy with my salary; and Sick leave policy is satisfactory.

B. Performance Appraisal practices

To understand the definition of performance appraisal would enable us lay a solid foundation to capture what the concept of performance appraisal is all about. Aloe (1999) defines performance appraisal as a process involving deliberate stock-taking of the success which an individual or organization has achieved in performing assigned tasks or meeting set goals over a period of time. It therefore shows that performance appraisal practices should be deliberate and not accidental. It calls for serious examination to determine how the individual is performing his or her tasks.

Atiomo (2000) agrees with Fajita (1997) that performance appraisal is a system which provides organizations with a means of identifying not only what people's performance levels are but which areas those levels need to be improved if maximum use is to be made of human resource. According to Atiomo, every organization should ensure that the individual is clearly aware of what his functions and responsibilities are to make performance appraisal influenceive. Rao writes that performance appraisal is the process through which organization takes stock of its manpower in terms of its present performance, the aptitude and interest of each person, his strengths and weaknesses and his potential for growth. The data emerging from such an exercise constitutes the primary database for individual development and should be communicated to the subordinate.

The study developed 10 items to measure, which include: The company undertakes regular performance appraisal; Performance evaluation does identify skilled employee; There is increment in pay resulting from excellent appraisal results; Staff are promoted to higher positions according excellent performance and needs analysis; Performance evaluation serves as a basis for promotion; We are oriented on performance appraisal procedures; All managers participate in the appraisal process; all staff are subjected to the appraisal system; and Management conduct individual assessment and evaluation..

c. Recruitment and Selection Practices

Swanepoel, Erasmus, Van Wyk and Schenk (2003) define “selection” as the process of trying to determine which individuals were best match for particular jobs in the organizational context, taking into account individual differences, the requirements of the job and the organization’s internal and external environments. Robert (2005) argues that selection is basically a task of prediction. It presupposes a screening and sorting procedure in the course of which the candidates with the least potential are separated from those with the highest potential. Selection is a complex procedure that comprises the following: the collection of information, coding, interpretation, retrieval, integration of information and decision- making. These procedures are very important and need to be followed so that the person who meets most of the requirements for the job is appointed.

Robert (2005:77) further defines “selection” as involving the evaluation of candidates and development of systems, procedures and methods on the basis of which sound selection can be made in order to ensure the addition of high quality personnel to the organization concerned. According to Van der Westhuizen (2005), the recruitment should policy stipulate broad guidelines for the way in which a public sector institution intends to deal with recruitment. In brief terms, the recruitment policy must indicate the institution’s position concerning the general objectives of recruitment and the principle of equal opportunities in recruitment. For the purposes of this study, it is important to provide an example of a recruitment policy.

The study used the following items to measure recruitment and selection practices, which include: Applicants are fully informed about the qualifications required to perform the job before being hired; The curriculum vitae; References and qualifications are checked thoroughly before appointing a candidate; Applicants undergo a medical test before being hired; Vacancies are filled from qualified employees who are working in sugar firms; applicants undergo structured interviews (job related questions, which all the applicants must answer) before being hired; applicants for this job take formal test (written or work sample) for selecting applicants for vacancies; candidates selected on the basis of their competency and qualification. Irregularities regarding the selection of candidates can be freely reported without fear of victimization. We are involved in a selection process. Advertisements for vacancies should cater for employment equity.

d. Training Practice

Joeng, as cited by Mathefane (2007), refers to training as an act of increasing the knowledge and skills of an employee so that he or she can do a job. Therefore, training is an essential component of high performance in work systems, because these systems rely on frontline employee skills, knowledge and initiative to identify and resolve problems. All these require a skilled and motivated workforce that has the knowledge and capacity to perform the requisite tasks. In other words, training is an investment in the organization's employees. An organization that invests a lot in training, but considers its employees to be an expendable cost to be quickly shed in times of economic difficulty, probably saw little return on its training investment. Training must be a continuous activity in every organization and needs to be given priority when the going gets tough, because it is the human resources of an organization that took the necessary actions to turn the enterprise around.

Training is one of the few in which a consistent and positive impact on performance can be found. Training plays a major role in equipping staff with the required abilities. According to Kenny and Read, as cited by Sewdass (2004), the following contributions can be identified: Training helps employees to learn their jobs quickly and influencively, thereby minimizing or limiting the costs involved in learning. Training can assist existing staff to improve their work performance and keep up-to-

date in their field of specialization. Furthermore, present and future work standards required by the organization are more likely to be achieved and maintained if staff members are well trained. A greater volume of work can then be expected from staff, as they will work more quickly and be less likely to make mistakes. The reduction in work errors can benefit the organization, as managements spend more time on planning and carrying out development activities instead of correcting mistakes, and the cost incurred by errors is eliminated. Therefore, that the training and development of employees is an issue that has to be faced by every organization (Nsubuga, 2008).).

This study used the following items to measure training practice: I have training opportunities to learn and grow; I get the training that I need to do my job well; I get the training from the company for my next promotion; The available training matches my job; Most training programmes are able to fulfill my expectation of needs; Most of training programmes are practical and do relate to the actual problems at work; and We are trained regularly to enhance our job skills.

e. Reward Management Practices

Reward management is one of the strategies used by human resource managers to attract and retain suitable employees as well as facilitate them in improving their performance through motivation and to comply with employment legislation and regulation. As a result of these demands, HR managers seek to design reward structures that facilitate the realization of the organization's strategic goals and the goals of individual employees. Reward systems are very crucial for an organization (Maund, 2001). Rewards include systems, programs and practices that influence the actions of people. The purpose of reward systems is to provide a systematic way to deliver positive consequences. Fundamental purpose is to provide positive consequences for contributions to desired performance (Wilson, 2003). The only way employees fulfill the employers dream is to share in their dream (Kotelnikov, 2010).

The study used the following items to measure reward management practices: Reward system is in place and in operation; The company has a reward strategy; Hardworking employees are rewarded; Employees are fairly rewarded; Pay,

promotion and bonuses are forms of rewards used to reward employees; employees receive praises and recognition from their employers; Performance-based rewards are used; Employees who are lazy and don't deliver on their targets are punished and wages and salaries are often used to reward employees.

f. Talent Management Practices

Most of the organizations have realized that talent management is an important process and is reflected by the performance of organizations and their market share. Most researchers on this topic agreed that it is difficult to put a precise definition of talent management because there are multiple definitions and terms related to this subject. Hartmann *et al* (2010) consider talent management from four perspectives. First, talent management as a collection of typical HRM practices. McCauley and Wakefield (2006) argue that "talent management processes include workforce planning, talent gap analysis, recruiting, staffing, education and development, retention, talent reviews, succession planning, and evaluation". Bhatnagar (2007) posit that "the various aspects of talent management are recruitment, selection, on-boarding, mentoring, performance management, career development, leadership development, replacement planning, career planning, recognition and reward". Second, talent management as categorization of talent. Bryan *et al.* (2006) argued that "Influenceive resource allocation means unleashing the value of talent by mobilizing talented people "for the best opportunities". Gandz (2006) said that "Talent development requires more than engaging in traditional succession planning. Talent- rich organizations look at cadres of talent at different levels in the organization. From this group, a few people are selected to be organizational leaders". Finally: Talent management as the identification of pivotal talent positions.

This study used the following adopted form of measuring talent management: There are structured systems of developing talent in the organization to meet the new growth and change requirements: The firm has established specialized department which deals with employees with special talents; The high potential employees are identified in the context of our organization's strategic priorities; The talent review sessions are characterized by authentic, non-politicized dialogue; The potential talent

review sessions consist of cooperative and collaborative decision- making; and The talents are well developed in the firm.

Table 3.3: Operationalization of study variables

| Concept name | Indicators | Variables |
|--|---------------------------------|--|
| Dependent Variable | | |
| 1. Employee satisfaction | Productivity | <input type="checkbox"/> <input type="checkbox"/> Happy with firm <input type="checkbox"/> <input type="checkbox"/> Feel of self-belong <input type="checkbox"/> <input type="checkbox"/> High productivity <input type="checkbox"/> <input type="checkbox"/> Low wastage of resources <input type="checkbox"/> <input type="checkbox"/> Commitment <input type="checkbox"/> <input type="checkbox"/> Improved skills |
| Independent variables | | |
| 1. Performance Appraisal Practices | Feeling of equity and value | <ul style="list-style-type: none"> • performance standard • <input type="checkbox"/> Communicate performance • actual performance |
| 2. Recruitment and Selection Practices | High quality employees | <ul style="list-style-type: none"> • Recruitment methods • Selection process • Merit in selection |
| 3. Training Practices | Skilled manpower | <ul style="list-style-type: none"> • Conducting training needs analysis • Linking training to performance • Measuring effectiveness of training |
| 5. Talent management Practices | Productive/Innovative employees | <ul style="list-style-type: none"> • Talent gap analysis • Talent reviews • Talents development |

CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSION

4.1 Introduction

This chapter provides the empirical results of the research data analysis and the corresponding interpretations. In the first section of this chapter, the response rate and missing values analysis is presented. This is followed by demographic data, describing the characteristics of individual respondents and those pertaining to the firms surveyed. The third section of the chapter presents descriptive statistics of the respondents in line with the measurement tool. The fourth section addresses the factor analysis results together with scale reliabilities. The fifth section presents the regression analysis and hypothesis testing and discussion of the results.

4.2 Response Rate

The sample population consisted of employees and managers in all the sugar firms in Western Kenya. A total of 219 questionnaires were distributed, data was successfully collected from 210 respondents representing a response rate of 96% (Table 4.1). Fowler (1993) recommends 75% as a rule of the thumb for minimum responses.

Table 4.1 Response Rate of Questionnaires

| Responses | No. | Percentages |
|----------------------------|------------|--------------------|
| Administered questionnaire | 219 | 100.0% |
| Unreturned | 9 | 4% |
| Usable questionnaires | 210 | 96% |

Source: Research Data (2015)

4.3 Reliability Results

A pilot study was carried out to determine reliability of the questionnaires. Reliability analysis was subsequently done using Cronbach's Alpha which measures the internal consistency by establishing if certain items within a scale measure the same construct. Table 4.2 below shows that training practices had the highest reliability ($\alpha=0.947$), followed by recruitment practices ($\alpha=0.898$), employee

satisfaction (a=0.836), talent management practices was fourth (a=0.774) then reward management practices (a=0.716) and finally performance appraisal practices (a=0.716). This illustrates that all the six scales were reliable as their reliability values exceeded the prescribed threshold of 0.7. This therefore depicts that the research instrument was reliable and therefore required no amendments.

Table 4.2 Reliability

| Variables | Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|---------------------------------|-------------------------|---|-------------------|
| Performance Appraisal Practices | 0.716 | 0.727 | 9 |
| Recruitment Practices | 0.898 | 0.897 | 11 |
| Training Practices | 0.947 | 0.951 | 9 |
| Reward Management Practices | 0.716 | 0.704 | 9 |
| Talent Management Practices | 0.774 | 0.789 | 9 |
| Employee Satisfaction | 0.836 | 0.835 | 9 |

4.4 Demographic Profile

4.4.1 Gender

The demographic profile of the respondents are highlighted in Table 4.3a. Special attention was paid to their gender, age bracket, and job tenure and education level. In terms of gender, majority 60.5% (125) of the respondents are male with 39.5% (83) of the respondents being female. This tentatively implies that majority of the employees are male. There is however inconsistencies in regards to which gender obtains more job satisfaction (İnce, 2003). As a result, the other factors which contribute to employee satisfaction need to be included within the scope of the study in order to fully establish the influence of gender. Gender distribution is one indicator on whether data collected is genuine. The distribution in this study indicates what is expected hence gives credence to the data.

Table 4.3 Gender

| | Gender | Frequency | Percent |
|--------|---------------|------------------|----------------|
| Gender | Male | 127 | 60.5 |
| | Female | 83 | 39.5 |
| | Total | 210 | 100 |
| Total | | 210 | 100 |

4.4.2 Age

With reference to the age bracket of the respondents, 50.5% (106) of them are in the range of 18 to 24 years, 30.5% (64) of them are in the age bracket of 25 to 34 years and 19% (40) of the respondents are between 35 to 47 years of age. Based on the results, majority of the respondents comprise the youth as shown by a percentage of 50.5%. The data indicates the expected age distribution in the sugar sector where majority of workforce is young. This data shows that feedback received was credible.

Table 4.4 Age

| | Age | Frequency | Percent |
|-------------|------------|------------------|----------------|
| Age bracket | 18-24 | 106 | 50.5 |
| | 25-34 | 64 | 30.5 |
| | 35-47 | 40 | 19 |
| | Total | 210 | 100 |
| Total | | 210 | 100 |

4.4.3 Job tenure

The job tenure of the respondents was put into account by the researcher. Based on the results, 52.9% (111) of the respondents have worked for four or more years, 26.2% (55) of them for a year, 11.4% (24) of the respondents have worked for three years, and 7.1% (15) of them for two years with 2.4% (5) of the respondents have worked in the organization for less than a year. It appears therefore that the majority (52.9%) of the respondents have worked for four or more years in the organization. Since, most of the respondents have worked in the firm for over 4years; they provided responses based on a wider knowledge base of the company's operations.

The majority of the respondents had been with their current employers for four or more years. This indicates they were fully aware of the going ons in the firms to be able to respond to the question items appropriately.

Table 4.5 Job tenure

| Job Tenure | Frequency | Percent |
|--------------------|------------------|----------------|
| Less than one year | 5 | 2.4 |
| One year | 55 | 26.2 |
| Two years | 15 | 7.1 |
| Three years | 24 | 11.4 |
| Four or more years | 111 | 52.9 |
| Total | 210 | 100 |
| Total | 210 | 100 |

4.4.4 Education Level

The education level of the respondents was sought for by the researcher in order to establish whether there is a significant relationship between the level of education and employee satisfaction. Table 4.2 shows that 37.6% (79) of the respondents have a diploma, 30.5% (64) bachelor’s degree and 11.4% (24) of the respondents have a Master’s degree. This indicates that the respondents in this study had high level of academic qualification. The results would therefore be of assistance in ascertaining employee satisfaction with reference to their education level (in this case the highly educated cadre).

Table 4.6 Education Level

| Education level | Frequency | Percent |
|------------------------|------------------|----------------|
| Masters | 24 | 11.4 |
| Bachelor’s degree | 64 | 30.5 |
| Diploma | 79 | 37.6 |
| Others | 43 | 20.5 |
| Total | 210 | 100 |

4.4.5 Workload

The researcher found it important to determine whether the respondents had a workload. This was important since the workload of the employees has a direct influence on their job satisfaction. The result of the findings are highlighted in figure

1. From the figure, 44.8% of the respondents stated that the workload is average with 31% of them stating that the workload is manageable. Nonetheless, 24.3% of the respondent opined that they are overburdened by the workload. For this reason, organization should take the necessary measures to develop and encourage positive attitudes among employees towards their jobs.

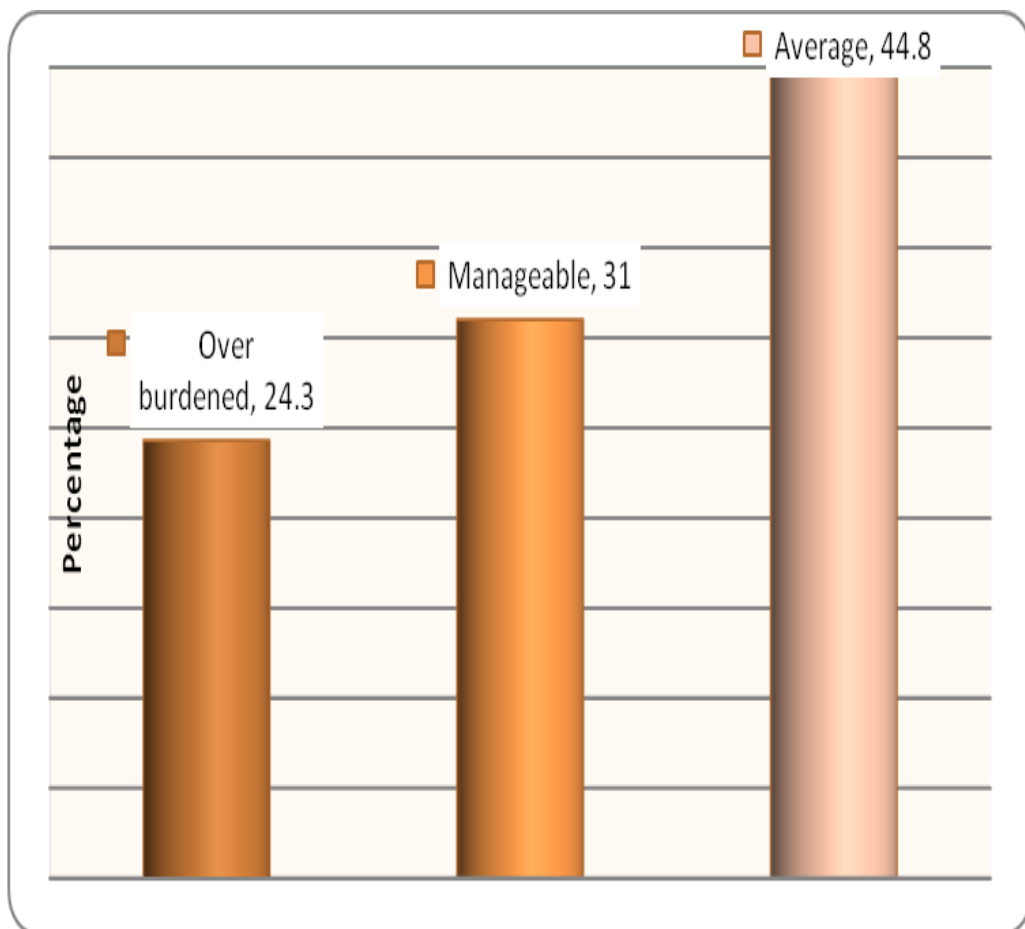


Figure 4.1 Workload

4.5 Descriptive Results

4.5.1 Performance Appraisal Practices

The researcher sought to establish the influence of performance appraisal practices on employee satisfaction. The results are as presented in Table 4.7. It is evident that the management conducts individual assessment and evaluation (mean = 4.07, SD = 0.677). As such, all staff are subjected to the appraisal system (mean = 3.92, SD =

0.935).Moreover, all managers participate in the appraisal process (mean = 3.94, SD = 0.696).Basically, the organization as a whole is oriented on performance appraisal procedures (mean = 3.61).Besides, performance evaluation serve on the basis promotion(mean = 4.04, SD = 0.738) and the staff are promoted to higher positions according to excellent performance and needs analysis (mean = 3.96, SD = 0.534).On the same note, there is increment in pay resulting from excellent appraisal results (mean = 3.86, SD = 0.948).In addition, performance evaluation helps to identify skilled employees (mean = 3.53, SD = 0.739) hence prompting the company to undertake regular performance appraisal because of its benefits (mean = 3.45, SD = 0.595).Results on performance appraisal summed up to a mean of 3.8217, standard deviation 0.41547, Skewness -1.833 and kurtosis 4.902.In a nutshell , it is assumed that better performance appraisal can have a positive impact on employee job satisfaction.

Table 4.7 Performance Appraisal Practices

| Performance Appraisal statements | Mean | Std. Deviation | Skewness | Kurtosis |
|---|-------------|-----------------------|-----------------|-----------------|
| 1. Company undertake regular performance appraisal | 3.45 | 0.595 | -0.021 | -0.416 |
| 2. Performance evaluation does identified skilled employee | 3.53 | 0.739 | -0.367 | -0.219 |
| 3. There is increment in pay resulting from excellent appraisal results | 3.86 | 0.948 | -0.323 | -0.893 |
| 4. Staff is promoted to higher positions according excellent performance and needs analysis | 3.96 | 0.534 | -0.417 | 1.874 |
| 5. Performance evaluation serve on the basis promotion | 4.04 | 0.738 | -0.421 | -0.076 |
| 6. We are oriented on performance appraisal procedures | 3.61 | 0.8 | -0.209 | -0.366 |
| 7. All managers participate in the appraisal process | 3.94 | 0.696 | -0.352 | 0.192 |
| 8. All Staff are subjected to the appraisal system | 3.92 | 0.935 | -0.556 | -0.54 |
| 9. Management conducts individual assessment and evaluation | 4.07 | 0.677 | -0.647 | 1.116 |
| performance appraisal | 3.8217 | 0.41547 | -1.833 | 1.902 |

4.5.2 Recruitment Practices

The researcher examined the influence of recruitment practices on employee satisfaction. The results are illustrated in Table 4.8. It is clear from the results that the company is usually involved in a selection process (mean = 4.19, SD = 0.869) after advertisement for vacancies are done online (mean = 4.04, SD = 0.874). The company ensures that advertisement for vacancies cater for employment equity (mean = 3.87, SD = 0.769). Applicant undergo structured interviews (job related questions, same questions asked of all applicants) before being hired (mean = 3.9, SD = 0.678). During the selection process, irregularities regarding the selection of candidates can be freely reported without fear of victimization (mean = 3.89, SD = 0.876). Applicants for the job take formal test (written or work sample) for selecting applicants for vacancies (mean = 3.9, SD = 0.602). The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate (mean = 4, SD = 0.902). With this put into consideration, candidates are selected on the basis of their competency and qualification (mean = 3.82, SD = 0.707). Besides, applicants are fully informed about the qualifications required to perform the job before being hired (mean = 3.97, SD = 0.656). Moreover, applicants undergo a medical test before being hired (mean = 3.61, SD = 0.806). In a nutshell, the results on recruitment practices summed up to a mean of 3.916, standard deviation of 0.53841, skewness - 2.007 and kurtosis 3.113.

Table 4.8 Recruitment Practices

| Recruitment Practices statements | Mea n | Std. Deviation | Skewnes s | Kurtosi s |
|---|----------|-------------------|--------------|--------------|
| 1. Applicants are fully informed about the qualifications required to perform the job before being hired | 3.97 | 0.656 | -0.177 | -0.048 |
| 2. The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate | 4 | 0.902 | -0.751 | -0.081 |
| 3. Applicants undergo a medical test before being hired | 3.61 | 0.806 | -0.571 | -0.176 |
| 4. Vacancies are filled from qualified employees who are working in sugar firms | 3.88 | 0.603 | -0.738 | 1.74 |
| 5. Applicants undergo structured interviews | 3.9 | 0.678 | -0.439 | 0.542 |

| | | | | |
|--|------|---------|--------|--------|
| (job related questions, same questions asked of all applicants) before being hired | | | | |
| 6. Applicants for this job take formal test (written or work sample) for selecting applicants for vacancies | 3.9 | 0.602 | -0.487 | 1.153 |
| 7. Candidates are selected on the basis of their competency and qualification | 3.82 | 0.707 | -0.227 | -0.056 |
| 8. irregularities regarding the selection of candidates can be freely reported without fear of victimization | 3.89 | 0.876 | -0.646 | -0.104 |
| 9. We are involved in a selection process | 4.19 | 0.869 | -1.21 | 1.123 |
| 10. Advertisements for vacancies should cater for employment equity | 3.87 | 0.769 | -0.158 | -0.52 |
| 11. Advertisements for vacancies are done online | 4.04 | 0.874 | -0.855 | 0.47 |
| | 3.91 | | | |
| recruitment practices | 6 | 0.53841 | -2.007 | 3.113 |

4.5.3 Training Practices

In this section of the analysis, the researcher sought to establish the role of training practices on employee satisfaction in sugar manufacturing firms in Western Kenya. The results are presented in Table 4.9. It is evident that the employees get the training they need to do their job well (mean = 4.05, SD = 1.071). They also get the training from the company for their next promotion (mean = 3.92, SD = 0.977). As well, they are given training at a regular basis (mean = 3.92, SD = 0.942). Further, they are trained regularly on how to enhance their job skills (mean = 3.89, SD = 1.121) and sent to extend higher qualification program (mean = 3.88, SD = 0.888). Thus, the available training matches with their job (mean = 3.87, SD = 0.846) and offers them opportunities to learn and grow (mean = 3.82, SD = 0.966). In addition, most of the training programs enables employees to fulfill their expectation of needs (mean = 3.82, SD = 1.065). To sum up, most of the training programmes are practical and do relate to the actual problems at work (mean = 3.64, SD = 0.766). Generally, results on training practices summed up to a mean of 3.86, standard deviation of 0.81122, Skewness -1.448 and kurtosis 1.092. From the aforementioned results, it can be inferred that training practices lead to superior

knowledge, skills, abilities, attitudes, and behavior of employees that ultimately enhance their satisfaction as well as performance of the organization.

Table 4.9 Training Practices

| Training Practices Statements | Mean | Std. Deviation | Skewness | Kurtosis |
|---|-------------|----------------|---------------|--------------|
| 1. I have training opportunities to learn and grow | 3.82 | 0.966 | -0.69 | -0.274 |
| 2. I get training that i need to do my job well | 4.05 | 1.071 | -0.899 | -0.463 |
| 3. I get the training from the company for my next promotion | 3.92 | 0.977 | -0.737 | -0.372 |
| 4. The available training match with my job | 3.87 | 0.846 | -1.715 | 4.264 |
| 5. Most training programmes able to fulfill my expectation of needs | 3.82 | 1.065 | -0.64 | -0.713 |
| 6. Most of training programmes are practical and do relate to the actual problems at work | 3.64 | 0.766 | -1.346 | 0.929 |
| 7. We are trained on regularly to enhance our job skills | 3.89 | 1.121 | -0.441 | -1.177 |
| 8. I am sent to extend higher qualification program | 3.88 | 0.888 | -0.789 | 1.045 |
| 9. I am given training at a regular basis | 3.92 | 0.942 | -1.257 | 1.308 |
| Training Practices | 3.86 | 0.81122 | -1.448 | 1.092 |

4.5.4 Reward Management Practices

This section of the analysis focuses on the the role of reward management practices on employee satisfaction. Table 4.10 illustrates the results. Based on the results, the reward system is in place and operation (mean = 4.1, SD = 0.968). The employees receive praises & recognition from their employers (mean = 3.94, SD = 1.022). For instance, hardworking employees are rewarded (mean = 3.7, SD = 1.073). The company ensure that they are fairly rewarded (mean = 3.89, SD = 0.651) and those that are lazy and don't deliver on their targets are punished (mean = 3.65, SD = 0.967). In essence, performance-based rewards are used (mean = 3.65, SD = 1.057). The rewards given to employees are pay, promotion and bonuses (mean = 3.53, SD = 1.099). In general, results on reward management practices summed up to a mean of 3.7344, standard deviation 0.4729, Skewness -0.737 and kurtosis

1.611. Based on the findings, reward management is one of the most important determinants of employee satisfaction.

Table 4.10 Reward Management Practices

| Reward Management Practices Statements | Mean | Std. Deviation | Skewness | Kurtosis |
|---|---------------|-----------------------|-----------------|-----------------|
| 1. Reward system is in place and operation | 4.1 | 0.968 | -1.14 | 0.454 |
| 2. Company has a reward strategy | 3.66 | 1.038 | -0.479 | -0.943 |
| 3. Hard working employees are rewarded | 3.7 | 1.073 | -1.457 | 1.666 |
| 4. Employees are fairly rewarded | 3.89 | 0.651 | -0.415 | 0.644 |
| 5. Pay, promotion & bonuses are forms of rewards used to reward employees | 3.53 | 1.099 | -1.2 | 0.78 |
| 6. Employees receive praises& recognition from their employers | 3.94 | 1.022 | -1.831 | 3.217 |
| 7. Performance-based rewards are used | 3.65 | 1.057 | -0.689 | -0.41 |
| 8. Employees who are lazy and don't deliver on their targets are punished | 3.65 | 0.967 | -0.47 | -0.068 |
| 9. Wages and salaries are often used to reward employees | 3.48 | 0.892 | -0.289 | -0.57 |
| Reward management practices | 3.7344 | 0.4729 | -0.737 | 1.611 |

4.5.5 Talent Management Practices

This section of the analysis highlights the influence of talent management practices on employee satisfaction. Table 4.11 illustrates the results. As evidenced in the table, the organization has processes for integrating different sources and types of knowledge (mean = 3.8, SD = 0.892) as well as distributing knowledge throughout the organization (mean = 3.81, SD = 0.908).Talents are therefore well developed on the firms (mean = 3.77, SD = 0.967).Potential talent review sessions consist of cooperative and collaborative decision- making (mean = 3.7, SD = 0.543) meaning that the organization has processes for absorbing knowledge from individuals into the organization (m earn = 3.67, SD = 0.796).Further, the firm has established specialized department which deals with employees with special talents (mean = 3.72, SD = 0.958).Additionally, high potential employees are identified in the context of the organization's strategic priorities (mean = 3.6, SD = 0.854).On a positive note, the talent review sessions are characterized by authentic, non-

politicized dialogue (mean = 3.56, SD = 0.841).Generally, talent management summed up to a mean of 3.6614, standard deviation 0.54452, skewness -0.376 and kurtosis 1.73.

Table 4.11 Talent Management Practices

| Talent Management Practices Statements | Mean | Std. Deviation | Skewness | Kurtosis |
|--|-------------|-----------------------|-----------------|-----------------|
| 1. Establish a structured system of developing talent in the organization to meet the new growth and change requirements | 3.32 | 1.287 | -0.515 | -0.783 |
| 2. The firms has established specialized department which deals with employees with special talents | 3.72 | 0.958 | -0.31 | -0.683 |
| 3. High potential employees are identified in the context of our organization's strategic priorities | 3.6 | 0.854 | -0.184 | -0.338 |
| 4. Talent review sessions are characterized by authentic, non- politicized dialogue | 3.56 | 0.841 | -0.392 | -0.227 |
| 5. potential Talent review sessions consist of cooperative and collaborative decision- making | 3.7 | 0.543 | -1.143 | 2.456 |
| 6. Talents are well developed on the firms | 3.77 | 0.967 | -0.798 | -0.057 |
| 7. Organization has processes for distributing knowledge throughout the organization | 3.81 | 0.908 | -0.852 | 0.211 |
| 8. Organization has processes for integrating different sources and types of knowledge | 3.8 | 0.892 | -0.607 | 0.88 |
| 9. Organization has processes for absorbing knowledge from individuals into the organization | 3.67 | 0.796 | -0.778 | 1.627 |
| | 3.661 | | | |
| Talent management practices | 4 | 0.54452 | -0.376 | 1.73 |

4.5.6 Employee Satisfaction

This section of the analysis focused on employee satisfaction. Table 4.12 illustrates the results. Based on the results, employees are happy with assistance given by the sugar firm in terms of money, leave subscriptions (mean = 4.02, SD = 0.858).Also, they are happy with sugar firm’s assistance for housing (mean = 3.93, SD = 0.997).Further, the sugar firm provides comfortable working environment in terms of space, light, seating arrangement and air condition (mean = 3.59, SD = 1.155).Additionally, employees feel that they are valued at the sugar firm (mean = 3.48, SD = 1.203).They are happy with their salary (mean = 3.53, SD = 0.881) and

feel a strong sense of belonging to their company (mean = 3.53, SD = 1.04). There is however doubt if the employees are satisfied with the value of increment in pay (mean = 3.38, SD = 1.105) and sick leave policy (mean = 3.33 , SD = 1.117). Generally, the results on employee satisfaction summed up to a mean of 3.564, standard deviation of 0.64298, skewness -0.083 and kurtosis -0.499.

Table 4.12 Employee Satisfaction

| Employee Satisfaction Statements | Mean | Std. Deviation | Skewness | Kurtosis |
|---|--------------|-----------------------|-----------------|-----------------|
| 1. I am happy with the sugar firm | 4.02 | 0.858 | -0.633 | 0.261 |
| 2. I am contended with working for the sugar firm's | 3.93 | 0.997 | -0.732 | -0.339 |
| 3. Am have no intention leaving the firm | 3.59 | 1.155 | -1.094 | 0.192 |
| 4. I am satisfied with the value firm gives me | 3.38 | 1.105 | -0.724 | -0.125 |
| 5. I feel I am valued at the sugar firm | 3.48 | 1.203 | -0.663 | -0.458 |
| 6. for well done work | 3.29 | 1.047 | -0.378 | -0.073 |
| 7. I am happy with my salary | 3.53 | 0.881 | -1.972 | 3.089 |
| 8. firm policies are satisfactory | 3.33 | 1.117 | -0.647 | -0.472 |
| 9. I feel a strong sense of belonging to my company | 3.53 | 1.04 | -0.952 | 0.772 |
| Employee Satisfaction | 3.564 | 0.64298 | -0.083 | -0.499 |

4.6 Factor Analysis results

Factor analysis is a 'data reduction technique used to reduce a large number of variables to a smaller set of underlying factors that summarize the essential information in the variables' (Coaches & Steed 1999). Factor analysis is also conducted in order to make sure that the items belong to the same construct (Wibowo, 2008).

4.6.1 Factor Analysis for Performance Appraisal Practices

Further, factor analysis are used to determine if the observed variables are under an influencing set or construct in a succinct and interpretable form (Hair *et al.* 2005). Before starting factor analysis, communalities need to be checked for meeting minimum criteria. Communalities represent the proportion of the variance in the original variables that is accounted for by the factor solution. The factor solution

should explain at least half of each original variable's variance, so the communality value for each variable should be 0.50 or higher. The study requested that all loading less than 0.5 be suppressed in the output, hence providing blank spaces for many of the loadings. The results in table 4.13 indicate the factor analysis for performance appraisal practices. From the findings, all values for all the factors were more than 0.5 reflecting the accepted value of factor loading. Each extracted factor has Eigen value greater than 1 and accounts for a different percentage of variance to the squared loadings. The KMO Measure is an index for comparing the magnitude of the observed correlation coefficients to the magnitude of the partial correlation coefficients. The probability associated with the Bartlett's test is less than 0.001 which satisfies the requirement of having less than the significance level. Bartlett's test of sphericity is used to test the hypothesis that the variables in the population correlation matrix are uncorrelated (Jim, 2008).The results demonstrate that the probability associated with the Bartlett's test is less than 0.001 which satisfies the requirement of having less than the significance level.

Table 4.13 Factor Analysis for Performance Appraisal Practices

| Items for Performance Appraisal Practices | Component | | |
|--|-----------|-------|-------|
| | 1 | 2 | 3 |
| 1.Company undertake regular performance appraisal | | 0.79 | |
| 2.Performance evaluation does identified skilled employee | | | 0.644 |
| 3.There is increment in pay resulting from excellent appraisal results | 0.878 | | |
| 4.Staff is promoted to higher positions according excellent performance and needs analysis | 0.66 | | |
| 5.Performance evaluation serve on the basis promotion | | 0.877 | |
| 6.We are oriented on performance appraisal procedures | | | 0.884 |
| 7.All managers participate in the appraisal process | | 0.902 | |
| 8.All Staff are subjected to the appraisal system | 0.668 | | |
| 9.Management conducts individual assessment and evaluation | 0.813 | | |

| Variation explained. | | | |
|---|----------|--------|--------|
| Initial Eigen values | 2.924 | 2.275 | 1.356 |
| % of Variance | 28.401 | 27.401 | 17.028 |
| Cumulative % | 28.401 | 55.802 | 72.83 |
| KMO and Bartlett's Test | | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.562 | | |
| Bartlett's Test of Sphericity(Approx. Chi-Square) | 1123.961 | | |
| Df | 36 | | |
| Sig. | 0.000 | | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 4 iterations.

4.6.2 Factor Analysis for Recruitment Practices

In order for this study to explain the underlying dimensions and reduce data of the CRM dimensions and firm performance variables, a factor analysis was performed basing on the recommendations of Hair *et. al.*, (2006). Exploratory factor analysis was carried out to confirm the constructs underlying the data. Before the test was done for each scale, three conditions were ascertained to ensure they were not violated. First sample adequacy was required therefore each scale's sample adequacy was tested using Kaiser-Meyer- Olkin (KMO) which is a ratio of the sum of squared correlation plus sum of squared partial correlation. According to Hair *et. al.* (2006) values > 0.6 are considered adequate for good factor analysis thus all scales satisfied the KMO threshold.

Finally Bartlett's test of sphericity was used to test the hypothesis that the value in the correlation matrix is zero, to indicate that their existed a correlation between variables. This was done by converting the determinant of the matrix of the sum of products and cross products into a chi square statistic and then test for its significance. Hair *et. al.* (2006) posit that a p-values of < 0.05 are indications that there exists a correlation and satisfies the conditions required for factorability.

All six amalgamated scales were subsequently subjected to exploratory factor analysis using Principle Components Method (PCM) and rotated using Varimax

rotation with Kaiser Normalization method. Only components with Eigen values ≥ 1 were extracted and items with loading ≥ 0.5 represented substantive values. (See Table 4.14).

Table 4.14 Factor Analysis for recruitment Practices

| | Component | | |
|--|-----------|-------|--------|
| | 1 | 2 | 3 |
| 1. Applicants are fully informed about the qualifications required to perform the job before being hired | 0.781 | | |
| 2. The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate | 0.565 | 0.743 | |
| 3. Applicants undergo a medical test before being hired | 0.689 | | |
| 4. Vacancies are filled from qualified employees who are working in sugar firms | | 0.571 | 0.759 |
| 5. Applicants undergo structured interviews (job related questions, same questions asked of all applicants) before being hired | | 0.94 | |
| 6. Applicants for this job take formal test (written or work sample) for selecting applicants for vacancies | | 0.502 | |
| 7. Candidates are selected on the basis of their competency and qualification | | 0.935 | |
| 8. irregularities regarding the selection of candidates can be freely reported without fear of victimization | 0.845 | | |
| 9. We are involved in a selection process | 0.765 | | |
| 10. Advertisements for vacancies should cater for employment equity | | | 0.814 |
| 11. Advertisements for vacancies are done online | 0.741 | | |
| Total Variance Explained. | | | |
| | 3.62 | 3.269 | 1.799 |
| Eigen values | 32.911 | 29.72 | 16.358 |
| % of Variance | | | |
| Cumulative % | 32.911 | 62.63 | 78.988 |
| KMO and Bartlett's Test | | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.606 | | |
| Bartlett's Test of Sphericity Approx. Chi-Square | 2467.429 | | |
| df | 55 | | |
| Sig. | 0.000 | | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 15 iterations.

4.6.3 Factor Analysis for Training Practices

The scales for training practices were subjected to factor analysis components were realized. The results (Table 4.15) of principal component analysis indicate that there one factors whose Eigenvalues exceed 1.0. The Eigenvalue of a factor represents the amount of the total variance explained by that factor. For training practices, the first factor has Eigenvalue of 6.5328. The factors identified for training practices cumulatively explained 72.642% of the total variance. Table 4.15 shows the factor loading for each item which are sorted by size. Any item that fails to meet the criteria of having a factor loading value greater than 0.5 and loads only on one factor is dropped from the study (Liao *et al.*, 2007; Toh Tsu Wei *et al*, 2009).

Table 4.15 Factor Analysis for training Practices

| | Compon ent |
|---|---------------|
| 1. The firm offer training that is needed for employees to do job well | 0.931 |
| 2. Most staff get training from the company for next promotion | 0.875 |
| 3. The available training match with employee job | 0.934 |
| 4. Most training programmes able to fulfill my expectation of needs | 0.856 |
| 5. Most of training programmes are practical and do relate to the actual problems at work | 0.873 |
| 6. employees are trained on regularly to enhance our job skills | 0.885 |
| 7. The firm send employees to extend higher qualification program | 0.614 |
| 8. The firm offer training at a regular basis | 0.75 |
| 9. The firm offer training that is needed for employees to do job well | 0.902 |
| Initial Eigen values | 6.538 |
| % of Variance | 72.642 |

| | |
|--|----------|
| Cumulative % | 72.642 |
| KMO and Bartlett's Test | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.852 |
| Bartlett's Test of Sphericity Approx. Chi-Square | 2408.804 |
| Df | 36 |
| Sig. | 0.00 |

Extraction Method: Principal Component Analysis.

a 1 components extracted.

4.6.4 Factor Analysis for Reward Management Practices

The results of principal component analysis for reward management practices (see Table 4.16) shows that 9 items were sorted and clustered into three component. The results further indicate that the three factors had Eigenvalues exceeding 1.0. The Eigenvalue of a factor represents the amount of the total variance explained by that factor. For reward management practices, the first to third factors had Eigenvalue of 3.015, 1.928 and 1.479 respectively. The three factors identified in this study cumulatively explained 85.32% of the total variance. Individually, the first factor explained 33.502%, the second factor explained 21.417% and the third factor explained 16.438 of total variance.

Factor rotation can be done in several ways. If there are theoretical grounds to think that the factors are independent (unrelated) then it is advisable to choose varimax orthogonal rotations. However, if theory suggests that factors might correlate, then one of the oblique rotations (direct oblimin or promax) should be selected (Field, 2005). Regardless of this, one can argue that varimax rotation is the best method of creating more interpretable clusters of factors. The reason being that varimax rotation attempts to maximize the dispersion of loadings between factors. Also, varimax is good for simple factor analysis since it is known to be a good general approach that simplifies the interpretation of factors (Field, 2005). On the basis of this argument, varimax rotation was chosen. Table 4.16 shows the rotated component matrix by using principal component analysis with varimax rotation. The reward management practices items (9) were suppressed at 0.5

Table 4.16 Factor Analysis for Reward Management Practices

| Items for Reward Management Practices | 1 | 2 | 3 |
|---|----------|----------|----------|
| 1. Reward system is in place and operation | | 0.855 | |
| 2. Company has a reward strategy | | 0.953 | |
| 3. Hard working employees are rewarded | | 0.673 | |
| 4. Employees are fairly rewarded | | | 0.926 |
| 5. Pay, promotion & bonuses are forms of rewards used to reward employees | | | 0.663 |
| 6. Employees receive praises& recognition from their employers | 0.872 | | |
| 7. Performance-based rewards are used | 0.884 | | |
| 8. Employees who are lazy and don't deliver on their targets are punished | 0.932 | | |
| 9. Wages and salaries are often used to reward employees | 0.771 | | |
| Total Variance Explained | | | |
| Initial Eigen values | 3.015 | 1.928 | 1.479 |
| % of Variance | 33.502 | 21.417 | 16.438 |
| Cumulative % | 54.919 | 71.357 | 85.32 |
| KMO and Bartlett's Test | | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.473 | | |
| Bartlett's Test of Sphericity Approx. Chi-Square | 1317.947 | | |
| df | 36 | | |
| Sig. | 0.000 | | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 8 iterations.

4.6.5 Factor Analysis for Talent Management Practices

The results in Table 4.17 revealed that 9 items for Talent Management Practices were sorted and clustered into three components. The results of principle component analysis indicate that there are three factors whose Eigenvalues exceed 1.0. For Talent Management Practices, the first factor had Eigenvalue of 22.829 and the second had Eigenvalue of 2.013. The three factors cumulatively explained 89.3016% of the total variance. All the nine items of Talent Management Practices met the criteria of having a factor loading value greater than 0.5.

Table 4.17 Factor Analysis for Talent Management Practices

| Items For Talent Management Practices | Component | | |
|--|-----------|--------|--------|
| | 1 | 2 | 3 |
| 1. Establish a structured system of developing talent in the organization to meet the new growth and change requirements | | | 0.964 |
| 2. The firms has established specialized department which deals with employees with special talents | | | 0.917 |
| 3. High potential employees are identified in the context of our organization's strategic priorities | | 0.954 | |
| 4. Talent review sessions are characterized by authentic, non-politicized dialogue | | 0.824 | |
| 5. potential Talent review sessions consist of cooperative and collaborative decision- making | 0.708 | | 0.53 |
| 6. Talents are well developed on the firms | | | 0.846 |
| 7. Organization has processes for distributing knowledge throughout the organization | 0.82 | | |
| 8. Organization has processes for integrating different sources and types of knowledge | 0.84 | | |
| 9. Organization has processes for absorbing knowledge from individuals into the organization | 0.856 | | |
| Total Variance Explained | | | |
| Eigen values | 2.829 | 2.013 | 1.961 |
| % of Variance | 31.429 | 22.362 | 21.794 |
| Cumulative % | 31.429 | 53.791 | 75.585 |
| KMO and Bartlett's Test | | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.586 | | |
| Bartlett's Test of Sphericity Approx. Chi-Square | 1517.587 | | |
| df | 36 | | |
| Sig. | 0.000 | | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 7 iterations.

4.6.6 Factor Analysis for job Satisfaction

The results in Table 4.18 show that 9 items for job Satisfaction were sorted and grouped into two components. Principle component analysis results indicated two factors with Eigenvalues exceeding 1.0. For job Satisfaction, the first factor

Eigenvalue of 3.795 and the second factor have Eigenvalue of 2.83. The two factors identified in this study cumulatively explained 70.869% of the total variance. Table 4.11f shows the factor loading for each item, they are sorted by size. The study suppressed all loadings at 0.5 where all the factors were more than 0.5 reflecting the accepted value of factor loading. Results show that 9 items for job Satisfaction are sorted and grouped into two components. All items of job satisfaction met the criteria of having a factor loading value greater than 0.5. According to results, the first factor displayed loadings of five items.

Table 4.18 Factor Analysis for Job Satisfaction

| Job Satisfaction Items | Component | |
|---|------------------|--------|
| | 1 | 2 |
| 1. I am happy with the sugar firm | 0.829 | |
| 2. I am contended with working for the sugar firm's | 0.907 | |
| 3. Am have no intention leaving the firm | 0.849 | |
| 4. I am satisfied with the value firm gives me | 0.831 | |
| 5. I feel I am valued at the sugar firm | 0.91 | |
| 6. The sugar firm gives enough recognition for well done work | | 0.861 |
| 7. I am happy with my salary | | 0.666 |
| 8. firm policies are satisfactory | | 0.734 |
| 10.I feel a strong sense of belonging to my company | | 0.897 |
| Total variance explained | | |
| Eigen values | 3.795 | 2.583 |
| % of Variance | 42.169 | 28.7 |
| Cumulative % | 42.169 | 70.869 |
| KMO and Bartlett's Test | | |
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | 0.514 | |
| Bartlett's Test of Sphericity Approx. Chi-Square | 1683.687 | |
| df | 36 | |
| Sig. | 0.000 | |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 3 iterations.

4.7 Correlation Results

Correlation analysis is a technique of assessing the relationship between variables: Performance appraisal, recruitment practices, training practices, reward management practices and talent management practices with employee satisfaction. Thus, the study

analyzed the relationships that are inherent among the independent and dependent variables. The results regarding this were summarized and presented in Table 4.19.

Findings revealed that recruitment practices was negatively and significantly associated with employee satisfaction ($r = -0.337$, $\rho < 0.01$). Further, training practices was positively and significantly correlated to employee satisfaction ($r = 0.476$, $\rho < 0.01$) showing that training practices has a positive correlation with employee satisfaction.

Moreover, reward management practices was positively correlated with employee satisfaction ($r = 0.202$, $\rho < 0.01$). Besides, talent management practices was positively and significantly correlated with employee satisfaction ($r = 0.508$, $\rho < 0.01$). However, performance appraisal had no significant correlation with employee satisfaction. This implies that recruitment practices, training practices, reward management practices and talent management practices are expected to influence employee satisfaction.

Table 4.19 Correlation Matrix

| | Employee Satisfaction | Performance Appraisal | Recruitment Practices | Training Practices | Reward Management Practices | Talent Management Practices |
|-----------------------------|-----------------------|-----------------------|-----------------------|--------------------|-----------------------------|-----------------------------|
| Employee Satisfaction | 1 | | | | | |
| Performance Appraisal | -0.106 | 1 | | | | |
| Recruitment Practices | -.337** | .342** | 1 | | | |
| Training Practices | .476** | .336** | 0.05 | 1 | | |
| Reward Management Practices | .202** | .277** | .422** | .495* | 1 | |
| Talent Management Practices | .508** | 0.102 | -0.029 | .377* | .187** | 1 |

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

4.8 Model Summary

The results below present R, R² and adjusted R², where R show overall coefficient correlation between the independent variables and dependent variables. R² show the coefficient of determinations which is the percentage total variables in the dependent variable that is explained by the independent variable, while he adjusted R-squared is a modified version of R-squared that has been adjusted for the number of predictors in the model. Further, ANOVA was used to test goodness of fit by applying F-tests on the ratio of variances. The P-value in the ANOVA table gives an overall confidence for the fit to be rejected.

Table 4.20 Model Summary

| R | R Square | Adjusted R Square | Std. Error of the Estimate |
|----------|-----------------|--------------------------|-----------------------------------|
| .717a | 0.515 | 0.503 | 0.45344 |

a Predictors: (Constant), Talent Management Practices, Recruitment Practices, Performance Appraisal, Reward Management Practices, Training Practices

Table 4.20 illustrates the model summary of multiple regression model, the results showed that all the five predictors (performance appraisal, recruitment practices, training practices, reward management practices and talent management practices) explained 51.5 percent variation of employee satisfaction. This showed that considering the five study independent variables, there is a probability of predicting employee satisfaction by 51.5% (R²=0.515).

4.9 ANOVA Model

Table 4.21 reveals that the F-value of 43.247 with a p value of 0.00 significant at 5% indicate that the overall regression model is significant, hence, the joint contribution of the independent variables was significant in predicting employee satisfaction. This result indicates that the variation in the regression can be explained by the predictors

and this is further proved by the residual mean square which shows that variation exists but its error is minimal.

Table 4.21 ANOVA Model

| | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|-------|
| Regression | 44.46 | 5 | 8.892 | 43.247 | .000b |
| Residual | 41.945 | 204 | 0.206 | | |
| Total | 86.405 | 209 | | | |

a Dependent Variable: employee satisfaction

b Predictors: (Constant), Talent management practices, Recruitment practices, performance appraisal, reward management practices, training practices

4.10 Regression Results

Multiple regression analysis was conducted so as to determine the relationship between employee satisfaction and the five variables. The regression equation becomes:

$$\text{Employee satisfaction} = 2.878 - 0.182 X_1 - 0.353 X_2 + 0.336 X_3 + 0.168 X_4 + 0.359 X_5$$

According to the regression equation, taking all factors into account (performance appraisal, recruitment practices, training practices, reward management practices and talent management practices) constant was 2.878. Hypothesis testing is based on standardized coefficients beta and p-value to test whether the hypotheses are rejected or not.

Table 4.22 Coefficient of Estimate

| Independent Variables | Unstandardized Coefficients | | Standardized Coefficients | | | Collinearity Statistics | |
|-----------------------|-----------------------------|------------|---------------------------|-------|-------|-------------------------|-------|
| | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| (Constant) | 2.878 | 0.376 | | 7.653 | 0.000 | | |
| Performance appraisal | -0.248 | 0.075 | -0.182 | 3.292 | 0.001 | 0.78 | 1.281 |
| Recruitment practices | -0.428 | 0.07 | -0.353 | -6.07 | 0.000 | 0.705 | 1.419 |

| | | | | | | | |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|
| Training practices | 0.25 | 0.047 | 0.336 | 5.31 | 0.000 | 0.594 | 1.683 |
| Reward management practices | 0.226 | 0.085 | 0.168 | 2.659 | 0.008 | 0.596 | 1.678 |
| Talent management practices | 0.424 | 0.062 | 0.359 | 6.801 | 0.000 | 0.855 | 1.17 |

a Dependent Variable: Employee Satisfaction

4.11 Test of Hypothesis

H₀₁: Performance appraisal has no significant influence on employee satisfaction.

The results of multiple regressions, as presented in Table 4.16 revealed that performance appraisal has a negative and significant influence on employee satisfaction with a beta value of $\beta_1 = -0.182$ (p-value = 0.001 which is less than $\alpha = 0.05$). Therefore, the researcher rejects the null hypothesis and it is accepted that for each unit increase in performance appraisal, there is 0.182 unit decrease in employee satisfaction. Also, the influence of performance appraisal was stated by the t-test value = 3.292 which implies that the standard error associated with the parameter is less than the influence of the parameter. As opposed to the study findings, prior studies have shown that performance-related pay is associated with higher levels of overall employee satisfaction (Heywood & Wei, 2006; Green & Heywood, 2008). In a similar vein, Gupta & Kumar, (2013) infer that employee participation in the PA process is positively related to the satisfaction with the PA system, perceived fairness, and acceptance of such a practice. Furthermore, contrary to the results, Kuvaas (2006) noted that PA activities can be used by organizations to communicate organizational strategies, goals and vision to their employees hence creating higher levels of employee satisfaction.

H₀₂: Recruitment practices has no significant influence on employee satisfaction.

The results of table 4.16 showed that the standardized coefficient beta and p value of recruitment practices were negative and significant (beta = -0.353, p < 0.05). Thus, the researcher rejects the null hypothesis and it is accepted that, recruitment practices has a negative and significant influence on employee satisfaction. Also, for each unit

increase in recruitment practices, there is 0.353 unit decrease in employee satisfaction. The influence of recruitment practices is shown by the t-test value of 6.07 which implies that the influence of recruitment practices that of the error.

Contrary to the results, Ballantyne, (2009) argues that selection of workers aims at putting in place workers that are able to perform at a high level and demonstrate commitment thereby leading to high level of employee satisfaction. As well, as opposed to the results, Pilbeam and Corbridge, (2006) note that the recruitment of employees is fundamental to employee satisfaction within an organization.

H₀₃: *Training practices has no significant influence on employee satisfaction.*

Table 4.16 further shows that training practices has a positive and significant influence on employee satisfaction with a beta value of $\beta_3 = 0.336$ (p-value = 0.000 which is less than $\alpha = 0.05$). Therefore, the researcher rejects the null hypothesis and it is accepted that for each unit increase in training practices, there is 0.336 unit increase in employee satisfaction. Also, the influence of training practices was stated by the t-test value = 5.31 which implies that the standard error associated with the parameter is less than the influence of the parameter. In agreement with the results, Chiaburu and Tekleab, (2005) infer that employee training can lead to high levels of motivation and employee satisfaction. Besides, Rowden (2002) and Rowden and Conine (2005), propose that training may be used as a tool to increase employee satisfaction. Similarly, Tsai *et al.* (2007) found that employees committed to learning showed a higher level of employee satisfaction with a positive influence on their performance. Specifically, Kristensen and Westergård-Nielsen (2004) found that specific training had a bigger impact on employee satisfaction and productivity than general training. Moreover, Cosh *et al.* in a series of papers (1998, 2000 and 2003) found that training had a strong and significant influence on employee satisfaction in small firms when it was undertaken regularly rather than on an ad hoc basis.

H₀₄: *Rewarding management practices has no significant influence on employee satisfaction.*

Table 4.16 shows that rewarding management practices has a positive and significant influence on employee satisfaction with a beta value of $\beta_4 = 0.168$ (p-value = 0.008 which is less than $\alpha = 0.05$). Therefore, the researcher rejects the null hypothesis and it is accepted that for each unit increase in rewarding management practices, there is 0.168 unit increase in employee satisfaction. Also, the influence of rewarding management practices was stated by the t-test value = 2.659 which implies that the standard error associated with the parameter is less than the influence of the parameter. Consistently, Khan *et al.*, (2010) infers that reward causes satisfaction of the employee which directly influences performance of the employee.

Additionally, Maurer (2001) states that rewards and recognitions are essential factors in enhancing employee satisfaction and work motivation which is directly associated to organizational achievement. Moreover, a study by Mercer (2003) reports that employees will remain in an organization if they are rewarded since a proper reward system will create satisfaction. Also, Pillay (2009) identified that monetary and non-monetary rewards are important in order to raise employee satisfaction. Similarly, Tessema and Soeters (2006) state that there is a positive correlation between compensation practices and employee satisfaction. As a result, Sutherland (2004) argues that reward systems ought to be a significant sphere of employee satisfaction for employers.

H₀₅: *Talent management practices has no significant influence on employee satisfaction.* Finally, as evidenced in table 4.16, p-value is significant ($p < 0.05$), and the beta value of talent management practices was positive (beta = 0.359). Therefore, the researcher rejects the null hypothesis and concludes that talent management practices has a significant influence on employee satisfaction. Finally, the influence of talent management practices is shown by the t-test value of 6.801 which implies that the influence of talent management practices surpasses that of the error. Consistently, Walsh and Taylor (2007) posits that the absence of opportunity for professional and organizational growth and development affects employee satisfaction. Further support to the study findings is by Ross (2005) who revealed that employee satisfaction starts at the hiring stage, with companies recruiting

employees whose talents and interests fit with both the short- and long-term needs of the organization.

Similarly, Altrnazet *al* (2013) in a study of the influences of talent management on employee satisfaction in Ankara hotels revealed that changing mid-range and senior hotel executive’s perceptions of talent management in a positive way will have a positive impact on employee satisfaction. Therefore, retaining talented employees is a major priority for organizations and the key differentiator for human capital management thus improving the level of employee satisfaction (Glen, 2006).Furthermore, 73% of Executives in USA agrees on the positive relationship between talent management and employee satisfaction to obtain the success of the organizations (Ballesteros *et al*, 2010).

Table 4.23 Summary of Hypothesis Testing

| Hypothesis | Beta | <i>p</i> Values | - Decision |
|--|-------------|------------------------|-------------------|
| H ₀₁ : Performance appraisal has no significant influence on employee satisfaction | - 0.182 | 0.001 | Rejected |
| H ₀₂ : Recruitment practices has no significant influence on employee satisfaction | - 0.353 | 0.000 | Rejected |
| H ₀₃ : Training practices has no significant influence on employee satisfaction | 0.336 | 0.000 | Rejected |
| H ₀₄ : Rewarding management practices has no significant influence on employee satisfaction | 0.168 | 0.008 | Rejected |
| H ₀₅ : Talent management practices has no significant influence on employee satisfaction | 0.359 | 0.000 | Rejected |

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents the summary of findings, conclusion, and recommendations on further research that are deemed important for the extension of the research.

5.2 Summary

The primary objective of the study was to examine the influence of human resource management practices on employee satisfaction in sugar manufacturing firms in Western Kenya. To achieve this, the study sought to establish the influence of performance appraisal practices, recruitment practices, training practices, reward management practices and talent management practices on employee satisfaction. The section below summarizes the study findings by objective.

5.2.1 To establish the influence of talent management practices on employee satisfaction in public sugar manufacturing firms in Kenya

The results on talent management practices revealed that the sugar manufacturing firms have processes for integrating different sources and types of knowledge. Knowledge is therefore distributed throughout the organization. They have also made an effort to absorb knowledge from individuals into the organization. This has been made possible by a specialized department that deals with employees with special talents and identifies those with high potential. Talent review sessions are also in place. Usually, these sessions are characterized by authentic, non- politicized dialogue and consist of cooperative and collaborative decision- making.

5.2.2 To assess the influence of performance appraisal practices on employee satisfaction in public sugar manufacturing firms in western Kenya

Performance appraisal practices in the sugar manufacturing firms are evident. Precisely, the firms conduct individual assessment and evaluation and are oriented on performance appraisal procedures. All managers participate in the appraisal process and it is a requirement for all staff to be subjected to the appraisal system. In essence,

performance evaluation is what guides promotion. Staff are promoted to higher positions based on performance and needs analysis. Increase in pay is also based on appraisal results. In light of the aforementioned, the firms have made it mandatory to carry out regular performance appraisal.

5.2.3 To determine the influence of recruitment and selection practices on employee satisfaction in public sugar manufacturing firms in Kenya

Concerning recruitment practices, the sugar manufacturing firms advertise for vacancies online. While advertising for vacancies, they ensure that there is employment equity. Applicants for the job undergo structured interviews, where the applicants' curriculum vitae, references and qualifications are checked thoroughly. Once identified, suitable candidates are informed about the qualifications required to perform the job before being hired and then taken through a medical test. In addition to the selection process, the firms have made sure that irregularities regarding the selection of candidates can be freely reported without fear of victimization.

5.2.4 To establish the influence of training practices on employee satisfaction in public sugar manufacturing firms in Kenya

Employee training exists in the firms. Employees confirmed that they get the training they need to do their job well. In fact they are given training on a regular basis. In addition, they get training from the company for their next promotion. The firms have gone to the extent of facilitating their employees to acquire higher qualifications. Additionally, the training programmes are practical and are tailored to address the challenges at work. Therefore, training has enabled employees to fulfill their needs.

5.2.5 To evaluate the influence of reward management practices on employee satisfaction in public sugar manufacturing firms in Kenya

The study revealed that a reward management system exists and is operational. As such, outstanding employees receive praises and recognition from their employers. Also, they are fairly rewarded. Conversely, those who are lazy and don't achieve their targets are punished.

5.3 Conclusions

In conclusion, the findings of the study suggest that talent management by an organization results in high level of employee satisfaction; therefore, retaining talented employees is a major priority for organizations that aim at distributing knowledge throughout the organization. In an age where the human capital is a source of competitive advantage, firms should hold onto talented employees for their future survival. It is therefore clear that a lot of emphasis should be laid on talent management since this not only enhances employee satisfaction but also strengthens organizational capability through performance enhancement.

Further, the study has revealed that performance appraisal has a negative influence on employee satisfaction. Despite the fact that performance appraisal is an avenue for promotion of employees that reveal performance, employees feel restricted in the way they organize and execute their work. This in turn results to a negative impact on their satisfaction. Moreover, pegging increment in pay to appraisal results in high levels of pay disparity within the company and brings about inequality. The outcome is reduced employee satisfaction among these earn less.

Additionally, recruitment and selection of employees is crucial for the survival of any organization. The recruitment of staff in a desirable manner is beneficial since it preempts negative of for instance high staff turnover and poor performance. The study has however revealed that recruitment practices could also have a negative influence on employee satisfaction. There is therefore need for further research to augment the findings of this research.

Furthermore, training equips employees with more knowledge and skills, making them perform in a better way. Employees who attain improved performance as a result of training also exhibit increase in the level of satisfaction. It can therefore be inferred that training reduces the anxiety levels and stems frustration brought about by work demands that require higher skills than what one has. In a nutshell, training increases employee satisfaction and makes them better workers.

Finally, reward management practices of an organization are a source of employee satisfaction. Employees who have a good compensation package have higher levels of commitment and satisfaction at work. Higher levels of employee satisfaction lead to a good working environment. It can be therefore be concluded that the organization influenceively retains suitable employees by ensuring that their pay and benefits are better compared to competitors. In so doing, employee satisfaction is attained and the employees remain committed to the organization.

5.4 Recommendations

5.4.1 Management Recommendations for Sugar Manufacturing Firms

The results of the study have indicated that talent management creates more employee satisfaction and improves the overall performance of the organization. It is therefore important for firms to have processes for integrating different sources and types of knowledge in order to strengthen organizational capability as well as mobilize talented people for the best opportunities.

The findings of the study indicate that performance appraisal has a negative influence on employee satisfaction. Therefore, rather than using performance appraisal as an avenue for pay increment, it would be much more beneficial if a firm would use performance appraisal as a means to communicate organizational strategies, goals and vision to their employees. Also, firms need to ensure that performance appraisal activities contribute to employee development in order to induce higher employee satisfaction to the organization. Regardless of the nature of employee input, it is clear that giving employees a voice in their own appraisals enhances the perceived fairness of the appraisal process, which, in turn, increases the likelihood that employees will accept the appraisal system as a legitimate and constructive means of gauging their performance contributions

In order for organizations to reap the benefits of the recruitment and selection of employees and in turn enhance employee satisfaction, it is important that they highlight the skills and attitude to which they attach the highest priority. Once a firm has undertaken recruitment of employees, the new employees need to be appraised and developed so that they are well versed with knowledge on new trends and

challenges. In so doing, growth of the organization will be sustained as well as employee satisfaction.

Employee training leads to high levels of employee satisfaction as evidenced by the findings of the study. Since training equips employees with the skills to work better, it is therefore utmost necessary to conduct training at a regular basis. Specifically, the training programmes should be practical and relate to the actual problems at work.

Finally, the study has indicated that employee rewards are very important since they not only increase employee satisfaction but also their commitment to the organization. There is therefore need for the organizations to offer pay and benefits so as to motivate employees to remain committed to the organization. For outstanding employees, they need to receive praises and recognition from their employers so to motivate them and inculcate such a culture among other employees.

5.4.2 Policy Recommendation

The management of public sugar firms ought to develop an employment policy that encourages employee job security. It should also invest in human resources information system so as to increase human resources effectiveness and ensure recruitment and selection in public universities is based on Equal Employment Opportunity principle. The management of public sugar firms ought to link the compensation package to the performance of employees. There is need to conduct a training needs assessment in public sugar firms so as to identify the relevant training for various employees. This should be followed with training in accordance with the established needs so that employees can do their work effectively and efficiently. Nor should this exercise be a one-off event. The management should carry out training needs assessment regularly so as that the kind of training that is done matches the changing market needs.

Moreover, a specialized department that deals with employees with special talents so as to identify those with high potential would go a long way in enhancing employee productivity and talent retention. For an appraisal system to be influentially, employees should feel that they have an opportunity for meaningful input into the

appraisal process (Wick, 2001). Such input may range from having the opportunity to challenge or rebut the evaluation one receives to judging one's own performance through self-appraisal. Also, firms need to give employees opportunities for career advancement. With the above put into consideration employee satisfaction will be enhanced.

5.5 Areas for Further Research

A small sample size was one of the major limitations of the study. Also, the study did not cover all the human resource management practices of the sugar firms. As such, a number of suggestions that are fruitful for future research emerged from the research. In order to validate the findings of this study, case study is another interesting approach that can be done by future researchers. Additionally, there is need for further research on the relationship between recruitment practices and employee satisfaction.

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APPENDICES

APPENDIX 1: INTRODUCTION LETTER

FAITH AGOI

HD311-C009-1568/2014

**JOMO KENYATTA UNIVERSITY OF AGRICULTURE AND
TECHNOLOGY**

Dear Sir/Madam,

REF: AUTHORITY TO CONDUCT RESEARCH

The researcher is a student pursuing doctor of philosophy in human resource management at Jomo Kenyatta University of Agriculture and Technology. As part of the program the researcher is expected to write a thesis. The title of the proposal is: ***“HRM PRACTICES INFLUENCING EMPLOYEE SATISFACTION IN PUBLICLY OWNED SUGAR MANUFACTURING FIRMS IN WESTERN KENYA.”*** The researcher thus, humbly requests you to assist him by filling this questionnaire so as to be able to complete the thesis. The information you provide here plus the names of your institutions will remain confidential and will be used strictly for purposes of this research. The results of the research will be helpful to all stakeholders in this industry and a copy will be provided to the Ministry of Industrialization and Enterprise Development.

Yours faithfully,

FAITH AGOI

HD311-C009-1568/2014

APPENDIX 2: QUESTIONNAIRES FOR EMPLOYEES

SECTION A: BACKGROUND INFORMATION

1. Job designation (Optional).....
2. Please state your gender
 - a) Male []
 - b) Female []
3. Please indicate your age bracket?
 - a) 18-24 years []
 - b) 25-34 years []
 - c) 35-47 years []
 - d) Above 48 years []
4. State the number of years you have worked in the company
 - a) Less than one year []
 - b) One year []
 - c) Two years []
 - d) Three years []
 - e) Four or more years []
5. Please indicate the level of your education
 - a) Masters []
 - b) Bachelor's degree []
 - c) Diploma []
 - d) Others
(specify).....
7. How do you rate your workload? Overburdened [] Manageable [] Average []
8. What are the challenges you experience at work place?

.....
.....
.....
.....

SECTION B: HUMAN RESOURCE MANAGEMENT PRACTICES ON EMPLOYEE SATISFACTION OF SUGAR MANUFACTURING FIRMS

In this section please tick (√) the most appropriate response for each of the questions in the table below. Strongly agreed (5), Agree (4), Not sure (3), Disagree (2), strongly disagree (1)

| | QUESTIONS | Strongly Agree | Agree | Not sure | Disagree | Strongly Disagree |
|--|--|----------------|-------|----------|----------|-------------------|
| PERFORMANCE APPRAISAL PRACTICES | | | | | | |
| 1. | Company undertake regular performance appraisal | | | | | |
| 2. | Performance evaluation does identified skilled employee | | | | | |
| 3. | There is increment in pay resulting from excellent appraisal results | | | | | |
| 5. | Staff is promoted to higher positions according excellent performance and needs analysis | | | | | |
| 6. | Performance evaluation serve on the basis promotion | | | | | |
| 7. | We are oriented on performance appraisal procedures | | | | | |
| 8. | All managers participate in the appraisal process | | | | | |
| 9. | All Staff are subjected to the appraisal system | | | | | |
| 10. | Management conducts individual assessment and evaluation | | | | | |
| RECRUITMENT AND SELECTION PRACTICES | | | | | | |
| 11. | Applicants are fully informed about the | | | | | |

| | | | | | | |
|---------------------------|---|--|--|--|--|--|
| | qualifications required to perform the job before being hired | | | | | |
| | The curriculum vitae, references and qualifications are checked thoroughly before appointing a candidate | | | | | |
| 12. | Applicants undergo a medical test before being hired | | | | | |
| 13 | Vacancies are filled from qualified employees who are working in sugar firms | | | | | |
| 14 | Applicants undergo structured interviews (job related questions, same questions asked of all applicants) before being hired | | | | | |
| 15 | Applicants for this job take formal test (written or work sample) for selecting applicants for vacancies | | | | | |
| | Candidates are selected on the basis of their competency and qualification | | | | | |
| | irregularities regarding the selection of candidates can be freely reported without fear of victimization | | | | | |
| | We are involved in a selection process | | | | | |
| | Advertisements for vacancies should cater for employment equity | | | | | |
| TRAINING PRACTICES | | | | | | |
| 16 | I have training opportunities to learn and grow | | | | | |

| | | | | | | |
|------------------------------------|--|--|--|--|--|--|
| 17 | I get training that i need to do my job well | | | | | |
| 18 | I get the training from the company for my next promotion | | | | | |
| 19 | The available training match with my job | | | | | |
| 20 | Most training programmes able to fulfill my expectation of needs | | | | | |
| 21 | Most of training programmes are practical and do relate to the actual problems at work | | | | | |
| | We are trained on regularly to enhance our job skills | | | | | |
| REWARD MANAGEMENT PRACTICES | | | | | | |
| 22 | Reward system is in place and operation | | | | | |
| 23 | Company has a reward strategy | | | | | |
| 24 | Hard working employees are rewarded | | | | | |
| 25 | Employees are fairly rewarded | | | | | |
| 26 | Pay, promotion & bonuses are forms of rewards used to reward employees | | | | | |
| 27 | Employees receive praises& recognition from their employers | | | | | |
| 28 | Performance-based rewards are used | | | | | |
| 29 | Employees who are lazy and don't deliver on their targets are punished | | | | | |
| 30 | Wages and salaries are often used to reward employees | | | | | |
| TALENT MANAGEMENT PRACTICES | | | | | | |
| 31 | Establish a structured system of | | | | | |

| | | | | | | |
|--|---|--|--|--|--|--|
| | developing talent in the organization to meet the new growth and change requirements | | | | | |
| 32 | The firms has established specialized department which deals with employees with special talents | | | | | |
| 33 | High potential employees are identified in the context of our organization's strategic priorities | | | | | |
| 34 | Talent review sessions are characterized by authentic, non- politicized dialogue | | | | | |
| 35 | potential Talent review sessions consist of cooperative and collaborative decision- making | | | | | |
| 36 | Talents are well developed on the firms | | | | | |
| EMPLOYEE SATISFACTION | | | | | | |
| The following variables are used to measure employee satisfaction of public owned Sugar Manufacturing Firms | | | | | | |
| 37 | I am happy with assistance given by the sugar firm in terms of money, leave subscriptions | | | | | |
| 38 | I am happy with sugar firm's assistance for housing | | | | | |
| 39 | The sugar firm provides comfortable working environment (space, light, seating arrangement, air condition etc.) | | | | | |
| 40 | I am satisfied with the value of increment in pay | | | | | |
| 41 | I feel i am valued at the sugar firm | | | | | |
| 42 | The sugar firm gives enough recognition for well done work | | | | | |

| | | | | | | |
|----|-----------------------------------|---------------------------|--------------|---------------------|----------------------|--|
| 43 | I am happy with my salary | | | | | |
| 44 | Sick leave policy is satisfactory | | | | | |
| | QUESTIONS | Strongly Agree | Agree | Not sure | Disagre e | Strongl y Disagre e |

45. How do you rate the performance of public owned Sugar Manufacturing Firms in Western Kenya recently?

.....
.....
.....
.....
.....

46. What other HRM practices affect the performance of these public owned Sugar Manufacturing Firms in Western Kenya?

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.....
.....
.....

APPENDIX 3: INTERVIEWS SCHEDULES FOR THE TOP MANAGEMENT

Introduction: Good morning or afternoon sir/madam. Thank you for having granted me permission to interview you. I would like to assure you that I will stick to all ethical codes of conduct with regard to conducting research as stated in my introduction letter.

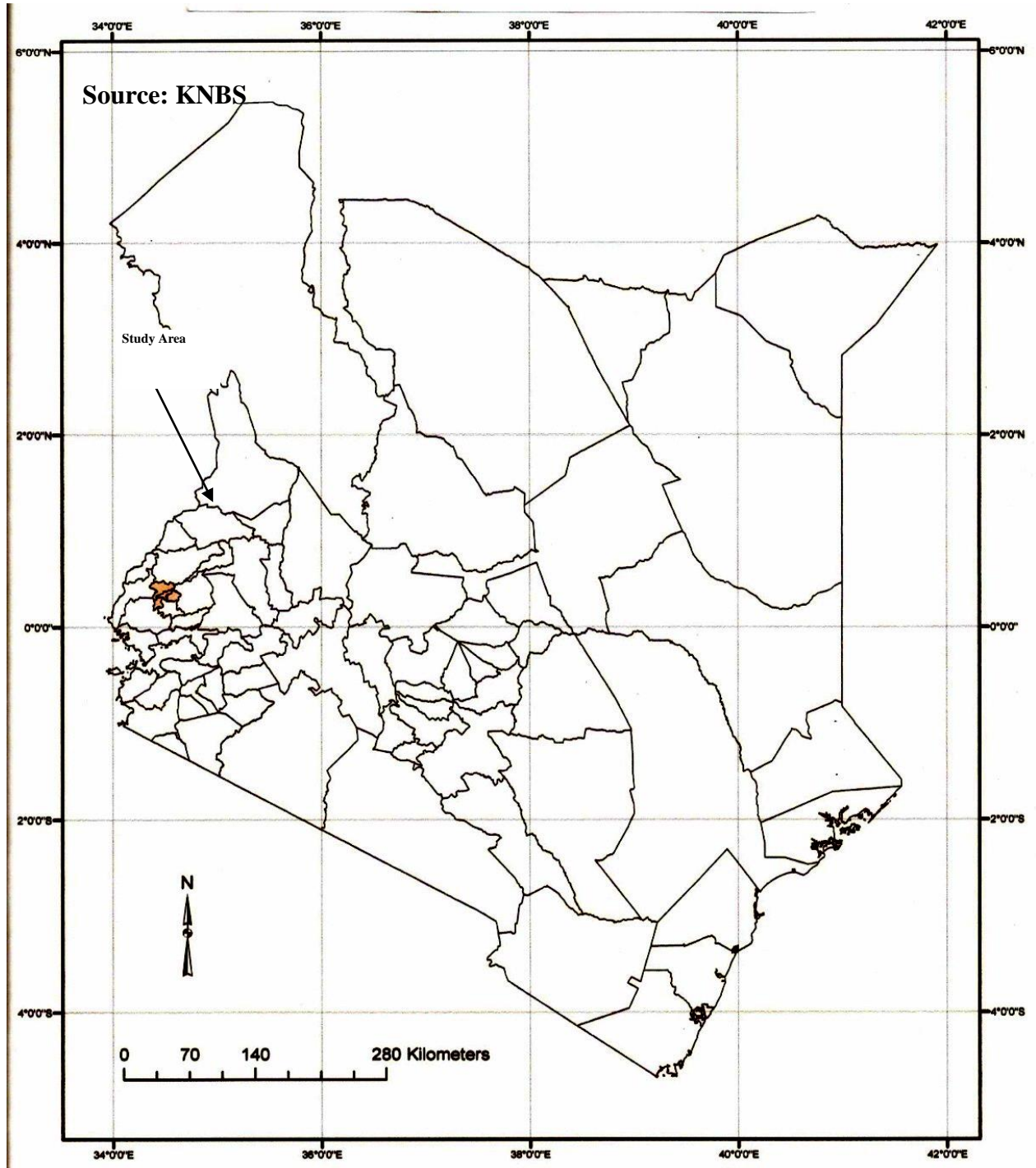
The Interview Questions:

1. How do you rate the performance of public owned Sugar Manufacturing Firms in Western Kenya recently?
2. How do you rate employee satisfaction of public owned Sugar Manufacturing Firms in Western Kenya recently?

3. What is the influence of the following variables on the performance of Sugar Manufacturing Firms in Western Kenya?
 - a. Human Resource Planning practices
 - b. Recruitment and selection practices
 - c. Training practices
 - d. Reward management practices
 - e. Motivation practices
4. What other HRM practices affect the performance of these public owned Sugar Manufacturing Firms in Western Kenya?
5. What challenges are experienced by public owned Sugar Manufacturing Firms in Western Kenya?
6. What are the solutions to these challenges experienced by public owned Sugar Manufacturing Firms in Western Kenya?

Conclusion: Thank you for your time, I hope your responses to the questions will contribute a lot to my research work.

APPENDIX 4: LOCATION OF STUDY AREA IN KENYA



APPENDIX 5: SUGAR MANUFACTURING FIRMS IN KENYA

GOVERNMENT OWNED SUGAR MANUFACTURERS

1. Mumias sugar Company
2. Nzoia Sugar Factory
3. South Nyanza Sugar Company
4. Muhoroni Sugar Company
5. Chemelil Sugar Factory

PRIVATE SUGAR MANUFACTURERS

1. West Kenya Sugar Company
2. Soin Sugar Company
3. Kibos Sugar and Allied Industries Limited
4. Butali Sugar Mills
5. Trans Mara Sugar Company
6. Sukari Industries Limited
7. Kwale International Sugar Company Limited