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### Human Resource Management Practices, Employee Behavioral Outcomes and Organizational Performance in Public Service: A Critical Literature Review

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Abstract: The today's office which is dynamic and competitive in nature, expect managers and employees of all levels to constantly improve and achieve the organizational objectives. Likewise the organization needs to continuously improve its human resource management practices such as reward management, human resource development, recruitment and selection and quality working life among others which have great effect on the organization's performance. However, going by the current empirical literature available, this has not been achieved. Many researchers have only looked at the independent variables that influence organizational performance without taking into consideration the mediating and intervening variables. Using a description approach, this paper compares and contrasts structures theorised and related to the relationship between Human Resource Management (HRM) practises and organizational performance in existing theoretical frameworks and findings of empirical studies in order to open the black box so as to get a better understanding of the relationship which would help in guiding organizations to attain their objectives and achieve high performance. This study was based on four supporting theories to develop a conceptual framework where the factors that are influencing, mediating and intervening the relationship between the HRM and organizational performance are proposed. The independent variable was HRM practices (reward management, training and development, recruitment/selection and quality working life) while the dependent variable was organizational performance. These were mediated by employee behavioural outcome which is an element of HRM practices. Leadership is the intervening variable. The study confirmed that there is a significant direct/positive relationship between the HRM practices and organizational performance. further identified motivation as one of the factor which link between the two variables. The study could not identify the number of boxes required to open the black box thus suggesting for further research to explore the number of boxes.

Key Words: HRM practices, organizational performance, employees' behavioural outcome, leadership

#### Introduction:

#### **Background of the Study:**

In global perspective majority of the government organizations face competing pressures which consist of the need to deliver high quality services to citizens and businesses and at the same time improve efficiencies and reduce costs. Ivancevich,

(2007), states that public service efficiency in delivery of results/services has been a challenge in

the world and particularly in the third world countries. Hence, governments across the world are putting in considerable effort in making the public service effective and get value for tax payer' money.

In the year 2003, there was a push and feeling that things must be done in a better way due to the environmental changes which included globalization. This push drove the Kenya



government of the day to start reforms such as Results-Based Management (RBM) which was guided by the Economic Recovery Strategy (ERS). The ministries and public corporations were also encouraged by the government of the day to adopt and implement high Performance Workplace Strategy in the public service such as Rapid Result Initiative (RRI), Performance Contracting (PC) and Total Quality Management (TQM) and Service Charters among others with the aim of enhancing service delivery to its citizens. GOK, (2006) denote that, the benefit of creating a high performance workplace in public service was predicted to include increased job satisfaction and therefore a good environment for increased productivity. The interpretation of high performance workplace was that the employees would demonstrate greater commitment, be more receptive and prepare for change; better informed; offer ideas; dedication and support to the business; glimpse how they fit into the organization and the contribution they are making; feel appreciated and so give their best; increase productive and reduce absenteeism.

Consequently, in today's contemporary office which is dynamic and competitive in nature, expect managers and employees of all levels to constantly improve and achieve the organizational objectives while in turn, organization need to continuously improve its human resource management practices such as reward management, human resource development, recruitment and selection and work life balance among others which have great effect on the organization's performance. Many studies have been carried out on relationships between human resource management practices and organizations and the results indicate that there has been a positive relationship between these variables though according to previous research by (Theriuo and Chatzoglou (2009) and (Boselie et al 2005), there is little understanding of mechanisms through which HRM influences performance. According to Saranevicient and Stankericiute (2010) it remains true that little is known about the mechanisms by which HRM practices translates into competitive success. Due to lack of understanding on mediating variables and their effect on HRM performance linkage, there is an existing gap in explaining this linkage which is referred to as black box.

#### Human Resource Management Practices:

Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and employees to ensure the effective retains implementation and the survival of the organization and its members. Minbaeva (2005) viewed HRM practices a set of practices used by organization to manage human resources through facilitating the development of competencies that are firm specific, produce complex social relation and generate organization knowledge to sustain competitive In reference to these definitions, it is advantage. clear that HRM practices relate to specific practices, formal policies, and philosophies that are designed to attract, develop, motivate, and retain employees who ensure the effective running and survival of the organization.

HRM activities play a major role in ensuring the organization's continuity and prosperity. The organization's effectiveness or ineffectiveness is described through certain criteria and components for example, performance, legal compliance, satisfaction, absenteeism, turnover, employee training effectiveness and return on investment among others. In order for a firm to survive, prosper and earn a profit, reasonable goals in each of these components must be achieved (Lawler, 2005).

#### **Organizational Performance:**

Organizational performance comprises of actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al. (2009) organizational performance includes three specific areas of outcomes that is, financial performance (profits, return on investment and return on assets); product market performance (market share and



sales,); and optimized shareholder return (economic value added and total shareholder return).

#### **Statement of the Problem:**

Every organization whether in the public sector or private sector aspires to achieve its goals, objectives, or set targets efficiently and effectively. For these to be achieved, the organization has to focus on best practices in various human resource management practices including reward development, management, training and recruitment/selection and quality working life However, while above human among others. resource practices are considered to have a positive influence on service delivery, they too may have a negative effect on staff performance leading to staff turnover if they are not well planned and managed hence causing organizations to performance poorly. According to a report by Institute of Economic Affairs on Institutionalizing Social Accountability in developed governance (2015), there has been a growing concern regarding delivery of public services at the county levels in Kenya. This is a clear indication that the performance of county governments is not up to standard and hence a need for improvement if the citizens' expectations are to be met.

The Transition Authority report, (2015) indicates that, after the transfer of management of human resources for devolved functions was affected in January 2014, a number of problems/challenges have been observed which includes discrimination, nepotism, tribalism and victimization in the recruitment and selection of county staff, continued recruitment by County Government for posts already filled by seconded staff creating parallel offices/duplication; fragrant violation of the law in the recruitment of staff, glaring disparities in remuneration and promotion between the staff with the newly appointed staff and those of the defunct local authorities enjoying better remuneration and There is no doubt that all these job grades.

problems, among others, cause poor performance by the county governments.

While numerous studies have been carried out on relationships between human resource management practices and organizational performance, (Theriuo and Chatzoglou (2009) and (Boselie et al 2005), there is little understanding of mechanisms through which HRM influences performance. This is supported by a study by Saranevicient and Stankericiute (2010) who state that little is known about the mechanisms by which HRM practices translates into competitive success. Due to lack of understanding on both mediating and intervening variables and their effect on HRM performance linkage, there is an existing gap in explaining this linkage which is referred to as black box. It is important to bridge this research gap because if county governments are to achieve their respective visions and for Kenya to achieve the vision 2030 that aims at creating a globally competitive and prosperous country with high quality life by 2030, proper management of human resource is critical which can be achieved by proper understanding of the mechanisms through which HRM influences performance.

#### **Research Objectives:**

- (i) To establish the mechanisms through which HRM practices (reward management, training and development, recruitment/development and quality working life) influence organizational performance
- (ii) To assess the impact of employee behavioural outcome as the moderating variable on the relationship between HRM practices (reward management, training and Development, recruitment/development and quality working life) and organizational performance
- (iii) To examine the role of leadership as the intervening variable on the relationship between HRM practices (reward management, human resource development,



recruitment/selection and quality working life) and organizational performance

(iv) To analysis the relationship between HRM practices (reward management, training and Development, recruitment/development and quality working life) and organizational performance in the presence of employee behavioural outcome as a moderating variable and leadership as an intervening variable

#### Value of the Study:

The findings of the study are expected to add to the existing body of knowledge especially in the field of human resource management as well as enhancing the efforts towards improvement of public sector's performance. The findings will be useful to researchers and scholars as a reference material when carrying out further research on issues of human resource management and organizational performance. The recommendations of the study are expected to inform the government policy makers on the need for policy development or review that will ensure a conducive environment for implementing human resource management practices. This will lead to improved service delivery and organizational performance by concerned government

agencies/ministries/departments.

#### **Theoretical Literature Review:**

#### Introduction:

This chapter presents a literature review of the theories that form the basis of this study. In particular, the chapter reviews theories related to reward management, training and development, recruitment/selection, quality working life, leadership, employees behavioural outcome and organizational performance.

#### **Review of Key Theories:**

The study is based on four theories namely; equity theory, social exchange theory, expectancy theory and need theory.

#### **Equity Theory:**

According to Graham and Bennett (1998), the equity theory of motivation asserts that an employee's own assessment of whether he or she is being fairly treated is a major factor influencing motivation. However, this theory is based in the idea that individuals are motivated by fairness, and if they identify inequities in the input or output ratios of themselves and their referent group, they will seek to adjust their input to reach their perceived equity. Adams suggested that the higher an individual's perception of equity, the more motivated they will be and vice versa, that is, if perceives unfair practices someone in the organization, they will be demotivated.

The most common way equity theory can work, and probably impact employees, is when employees compare the work they do to someone else that gets paid more than them. Equity theory is at play anytime employees say things like, so and so gets paid more than me, but he/she does not do quite as much work as I do or I get paid a lot less than so and so, but this organization cannot operate without In such scenarios, someone is comparing me. his/her own effort to compensation ratio to someone else's and is losing motivation in the process. Equity Theory is based on the premise that employees will put forth a particular level of work effort that they feel compares fairly to the rewards they will receive. It comes down to a straight forward formula input must equal output and when balance is achieved, it's believed employees are more willing, motivated to work harder toward higher levels of productivity but when it comes to fairness workers rely heavily on perception namely; what do they perceive to be fair and equal. When a reward is perceived as equitable to the level of effort that is exerted, then there is positive outcome and a higher level of motivation should be expected but, the reverse is also true that is, the perception of less fairness, begets less motivation, begets less outcome. However, the equity theory goes on to evaluate the outcome to input ratio comparison process and the cognitive and behavioral



mechanisms to restore perceptions of equity (Stecher & Rosse, 2007). It also looks at ways to reduce inequity by such means as employees changing their inputs to a level that matches their outcomes and attempting to change their outcomes to a level that matches their inputs. There is evidence that supports the theory's prediction that people respond to inequity by reducing work effort or increase effort to match the outcome (Stecher & Rosse, 2007).

#### **Social Exchange Theory:**

Social exchange theory identifies the circumstances under which people feel they are required to respond or give back when they benefit from an individual's or organization's actions. This theory is used to understand the link between employees, employers and in promoting performance through employ behavioural outcome. According to Gundlach, et al (1995), this theory explains how successful relationships can be developed using communication, attraction, expectation formation and norm development, to encourage and maintain staff loyalty to the organization. Specifically, the influence of human resource management practices on the organization against employee social exchange is most likely to be proofed in their aggregate use, perceived availability and value.

According to Wright & McMahan (2011), HRM researchers have constantly used social exchange theory to explain how HR practices stimulate employee attitudes and behaviours. crucial However, this theory explains the reciprocity of exchange where what one gives must be perceived to be of similar value to what one receives for example organizations that successfully manage HR practices benefit from positive exchange relationships that encourage employees to reciprocate by portraying attitudes and behaviours such as affective commitment and employee job satisfaction that are paramount in pursuit of organisational goals. Likewise, organizations that are not able to manage HR practices well get negative exchange relationships that discourage employees to reciprocate by portraying attitudes and behaviours such as absenteeism, turnover, low employee performance that prevent the organization from achieving its goals thus having low organizational performance. Rousseau (2006) concludes that employment relationships are transactional and are showcased by short term monetizable exchanges where employees act to fully maximise the total value of the exchange.

#### **Expectancy Theory:**

The expectancy theory of motivation explains why individuals choose one behavioral option over others. The basic idea behind the theory is that people will be motivated because they believe that their decision will lead to their desired outcome (Redmond, 2010). Expectancy theory proposes that work motivation is dependent upon the perceived association between performance and outcomes and individuals modify their behavior based on their calculation of anticipated outcomes (Torrington, 2009). This has a practical and positive benefit of improving motivation because it can, and has helped leaders create motivational programs in the workplace. This theory is built upon the idea that motivation comes from a person believing they will get what they want in the form of performance or rewards. Although the theory is not all inclusive of individual motivation factors, it provides leaders with a foundation on which to build a better understanding of ways to motivate subordinates (AETC, 2008). Expectancy theory emphasizes on individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations. This theory point out that people will be motivated when they believe their efforts will lead to the outcome they desire. Expectancy theory represents a cognitive approach to motivation and describe how people will adjust themselves (motivation) when they perceive their efforts may obtain outcomes that are consistent with their expectations. The assumption is that people calculate costs and benefits in determining course of



action (Stecher & Rosse, 2007). For example, if employees do not perceive their efforts will pay off (effort reward relationship), they will be less inclined to alter their behavior.

**Need Theory:** This theory complements the expectancy theory by exploring the depth at which outcomes motivate people to contribute valuable inputs to a job and perform at high levels. Need theory is based on the understanding that motivation comes from an individual's desire to fulfill or achieve a need or want. However, unsatisfied needs are responsible for motivating human beings and certain lower needs must be satisfied before higher needs can be satisfied. The basic principle of the need theory is that employees are motivated to obtain outcomes at work that will satisfy their needs. Likewise, if the employees have no needs or rather the organizations have nothing to offer to the employees that will satisfy their unmet needs, the employees will not be motivated to work which will result to low employee performance and hence low organizational performance.

The management must establish what needs the person is trying to satisfy at work and ensure that the person receives outcomes that help to satisfy those needs when the person performs at a high level and helps the organization achieve its goals. The motivation employees experience to fulfill their needs either comes from internal or external factors. Employees who experience internal motivation are influenced by factors that cause a sense of accomplishment and pleasure while those externally motivated are commonly influenced by factors controlled by others, such as money and praise (Deci, 1985).

#### **Theoretical Framework:**

According to Dawson, (2002), a theoretical framework is used to control the scope of the relevant data, by focusing on specific variables and defining the specific viewpoint that the researcher will take into account. It helps in analyzing as well as interpreting the collected data, conception and understanding of variables according to the definitions given and developing knowledge by endorsing or opposing theoretical assumptions.

## HRM Practices and Organizational Performance:

The equity theory recognizes that individuals are concerned not only with the rewards they receive for their efforts, but also compare their rewards with what others receive. The theory is founded on people's perception of fairness or equity which is usually subjective. According to Spector (2008), equity theory assumes that employees seek to maintain equity between the input that they bring into a job such as education, time, experience, commitment and effort and the outcome they receive such as promotion, recognition and increased pay against the perceived inputs and outcomes of other employees. Equity theory suggests that employees who perceive themselves as under rewarded or over rewarded will experience distress, and that this leads to efforts to restore equity within the organisation. However, ailing to find equity may make them behave in ways that will harm the organisation.

The retaliatory measures by employees who think rewarded they are unfairly may include, withholding effort and reducing work inputs, displaying feelings of hostility to coworkers and the organisation itself, and seeking salary increases, challenging superiors about tasks assigned, as well as quitting the job and seeking an alternative elsewhere. All these options have implications for organisation and can ruin the overall an performance of the organization which includes lowering productivity of the entire organization. If high performers leave an organisation due to demotivation caused by inequality among others aspects, the organisation is likely to lose its productive talent and competitive advantage thus affecting organizational performance negatively.

HRM Practices, Organizational Performance and Employee Behavioural Outcome:



Social exchange theory is a behavioural science that conceptualizes mutual exchanges between the employer and the employees. This study seeks to find out the link between human resource practices and organizational performance in the presence of and employees behavioural outcome and leadership. As suggested by Paauwe (2009), employee perceptions of HRM practices rather than individual practices may be relevant for determining employee attitudes and behaviours. The social exchange theory provides an explanatory framework to clarify how employee perceptions of HRM practices are linked to employee behaviours such as turnover intentions. This theory is based on norms of reciprocity within social relationships. According to Armstrong and Taylor (2014), employees will reciprocate their contribution to the organization if they perceive that the organization has treated them well. As noted by Hang and Cheung (2010), HRM practices are viewed by employees as а personalized commitment to them by the organization which is then reciprocated back to the organization by employees through positive attitudes and behaviour.

However, an optimistic aspect of social exchange theory is that, it has clarifying influence as it forecast that employees reduce costs and maximize motivation within their relationships. Allen et al., (2013) note that this theory has the clarifying influence because, it predict that when outcomes are perceived to be greater. employees outdo themselves and showcase extra effort in their work. Social exchange theory suited this study because it is clear that employees who have positive perception of their HRM practices exhibit more positive behaviours and are less likely to quit their organizations. It best explains the relationship among human resource management practices (reward management, training and development, recruitment/selection, quality working life). leadership, employee behaviour and attitudes as predictors of employee performance in Kenyan county government's public service.

#### HRM Practices, Organizational Performance, Employee Behavioural Outcome and Leadership:

The basic idea behind the expectancy theory is that people will be motivated because they believe that their decision will lead to their desired outcome (Redmond, 2010). It is built from the idea that motivation comes from a person believing they will get what they want in the form of performance or rewards. As it is proposed by this theory, work motivation is dependent upon the perceived association between performance and outcomes and individuals modify their behavior based on their calculation of anticipated outcomes. This has a practical and positive benefit of improving motivation because it can, and has, helped leaders create motivational programs in the workplace. Although the theory is not all inclusive of individual motivation factors, it provides leaders with a foundation on which to build a better understanding of ways to motivate subordinates (AETC, 2008). Expectancy theory emphasizes on individual perceptions of the environment and subsequent interactions arising as a consequence of personal expectations. Expectancy theory suited this study because it is clear that employees' motivation comes from the persons believes that he/she will fulfill his or her needs after getting a rewards for a well done job or performance. However the relationship among human resource management practices, leadership, employee behavioural outcome and performance is clearly explained in this theory.

#### Joint Effect of HRM Practices, Employee Behavioural Outcome and Leadership on Organizational Performance:

According to Jones and George (2006), need theory is based on the understanding that motivation stems from an individual's desire to fulfill or achieve a need. Human beings are motivated by unsatisfied needs, and certain lower needs must be satisfied before higher needs can be satisfied. The basic



principle of the need theory is that employees are motivated to obtain outcomes at work that will satisfy their needs. This theory complements the expectancy theory by exploring the depth at which outcomes motivate people to contribute valuable inputs to a job and perform at high levels. The management must establish what needs the person is trying to satisfy at work and ensure that the person receives outcomes that help to satisfy those needs when the person performs at a high level and helps the organization achieve its goals.

McClean & Collins, (2011); Wright & McMahan, (2011) argues that, although the social exchange theory has lacked the attention to cultural variations and cross cultural issues of different institutions, many studies suggest that this theory is useful in explaining the relationship between human resource management practices and performance. Further to this, an optimistic aspect of social exchange theory is that, it has clarifying influence as it forecast that employees reduce costs and maximize motivation within their relationships. Allen et al., (2013) notes that it has the clarifying influence in that, it predict that when outcomes are perceived to be greater, employees outdo themselves and showcase extra effort in their work.

The equity theory recognizes that individuals are concerned not only with the rewards they receive for their efforts, but also compare their rewards with what others receive. The theory is founded on people's perception of fairness or equity which is usually subjective. The equity theory posits that employees seek to maintain equity between the input that they bring into a job such as education, time, experience, commitment and effort and the outcome they receive such as promotion. recognition and increased pay against the perceived inputs and outcomes of other employees (Spector, 2008). Equity theory proposes that individuals who perceive themselves as either under rewarded or over rewarded will experience distress, and that this leads to efforts to restore equity within the organisation.

The retaliatory measures by employees who think are unfairly rewarded may they include, withholding effort and reducing work inputs, displaying feelings of hostility to coworkers and the organisation itself, and seeking salary increases, challenging superiors about tasks assigned, as well as quitting the job and seeking an alternative elsewhere. All these options have implications for an organisation. It can ruin the overall performance as well as lower productivity. If high performers leave an organisation, the organisation is likely to lose its productive talent and competitive advantage.

When the Employees needs and expectations are met by the management, they are likely to develop stronger affective attachment to the organization than those whose needs were not met. The effects of perceived supervisory support on employee behavioural outcomes are pointed out by this theory through putting emphasis on relations between leaders and line managers who are the supervisors and subordinates in a work unit (Year, 2005).

#### Measurement of Variables:

All the variables were measured using different elements as discussed below.

#### Human Resource Management Practices:

This study consider incentives for performance, pay structures and job evaluations variables to measure the relationship between reward management as one practices of the HRM and organizational performance in the presence of employee behavioral outcome as a moderating variable and leadership as an intervening variable in the relationship. Development need analysis, succession planning and career progression were used to measure human resource development in the presence of employee behavioral outcome as a moderating variable and leadership as an intervening variable in the relationship. Recruitment/selection was measured through recruitment/selection, committees, methods of recruitment and human resource planning while the study used study assistance (time off for study



and financial assistance), flexible work arrangement and social relevance of work as aspects to measure quality working life in the presence of employee behavioral outcome as a moderating variable and leadership as an intervening variable in the relationship. Questions related to these aspects helped to get the linkage in the relationship between the independent, dependent and control variables.

#### **Organizational Performance:**

Organizational performance variable covers aspects like, customer satisfaction, efficiency at work and financial viability ability. These aspects were used to measure the relationship between the HRM practices and organizational performance in the presence of employee behavioral outcome as a moderating variable and leadership as an intervening variable in the relationship. Questions related to these aspects helped to get the linkage in their relationships.

#### Leadership

According to (Lok & Crawford, 2004), researchers have found that the attitudes and expectations of leaders and organizations have a heavy impact on the enthusiasm and enjoyment of work by the Improved organizational performance workers. becomes the end result of the whole connection. In this case, the study used perceived supervisor support to measure the intervening effect of leadership in the relationship between HRM practices and organization performance in the presence of employee behavioural outcomes as the moderating factor. Answering questions related to supervisor support and organizational performance as well as employee behavioral outcomes helped in brings out the linkage between the variables relationships.

#### **Employee Behavioral Outcome:**

Employee behavior is influenced by a variety of forces, both internal and external, as they attempt to perform their job duties. Employers who are aware of these forces, and who are prepared to control or counteract them, can have a positive impact on the employee's behaviour. This study consider job satisfaction, affective organization commitment and turnover intention as variables to measure the employees behavioral outcomes which have a moderating effect on the relationship between the HRM practices and organizational performances in the presence of leadership as the intervening variable in the relationship. Seeking to answer questions related to the above is vital for explain the linkage between all the variables considered in the study.

#### **Empirical Literature Review**

#### Introduction:

This section presents a review of empirical literature which relates to the theme of the study. In particular, the empirical literature discussed is related to reward management, training and development, recruitment/selection, quality working life, leadership, employees behavioural outcome and organizational performance.

#### **Empirical Studies:**

The following empirical studies were reviewed in relation to all the variables in the study.

## HRM Practices and Organizational Performance:

Successful organizations are increasingly realizing that there are number of factors that contribute to performance but human resource is clearly the most critical (Mello, 2005). Effective HRM practices improve the performance of organization and lead to higher profits. Many studies on HRM as a system revealed positive relationship with company performance. For example, Youndt et al (1996) examined the impact of HRM strategy on company's performance of 512 manufacturing plants and revealed that there is a moderate relationship between plant performance and HR systems.



McDuffie (1995) argue that the strategic link between different HR practices to performance does not involve individual practices but interrelated and internal practices called bundles, this means that there are various configurations of HR practices that go hand in hand and enhancing a firm's competitive advantage depends on a bundle or set of HR practices configured together. Adopting the configuration approach Boselie, et al (2005) agree that the most studied HRM practices comprise of training and development, pay and reward, and performance management. However, Huselid (1995) studied the impact of HRM policies and practices on firm performance and found that these practices have a significant impact on employee outcome (turnover and productivity) and on overall performance.

Wright et al. (1999) examined the impact of HRM practices (selection, training, compensation and performance appraisal) and participation of financial performance of 190 US petro-chemical refineries. The results indicated the existence of a direct relationship between training and compensation with workforce motivation. They also found that in highly participative systems, human resource practices (selection, compensation and appraisal) are positively related to firm performance. Unlike studies that have examined the influence of each practice on performance, the current study examines the practices as a bundle of practices and the mediating influence of employee behaviour outcome as well as the intervening influence of leadership on the relationship between HRM practices and organizational performance. Empirical research suggest that HRM practices are likely to offer an array of benefits including commitment competency and flexibility, improved performance, organizational performance staff (Huselid, 1995, Koch and McGrath, 1996) and are negatively related turnover (Huselid. 1995). previous Although studies have examined organization citizenship behavior. affective commitment and job satisfaction as mediating

variables in the relationship between HRM practices and performance, the results have yielded mixed results (Kehoe and Wright, 2013).

According to Meyer and Smith (2000) HRM practices and policies have been suggested as influencing factors that increase organization commitment. It is suggested those employees who perceive to be managed with HRM practices are likely to express increase employee outcome such as affective commitment (Kehoe and Wright, 2013). According to Pauwe (2009), employees' outcome is an intermediary outcome of HRM practices and performance relationship.

#### HRM Practices, Organizational Performance and Employee Behavioural Outcome:

Affective commitment and job satisfaction are desirable employee behaviour outcomes that are an of employees' outcome perception on organizational experiences derived from appropriate HR practices (Meyer, et al 2003). The employee behaviour outcomes have strongly and consistently been associated with desired work outcomes such as efficiency, profitability, productivity and low absenteeism among others (Meyer et al., 2003). Strategic human resource management scholars suggest that organizations can use performance and commitment oriented human resource practices to drive the desired organizational effectiveness (Wright, et al, 2005; Combs, et al, 2006). Nishii et al (2008) argue that HR practices have a direct impact on employees knowledge, skills, motivation and behaviour which in turn influences the proximal indices of organisational performance such as operational efficiency, productivity, profitability, learning and growth.

Previous studies (Nishii & Wright, 2008;) found that any selected HR practices by a firm work almost immediately and have desired consequences on employees' behaviours and attitudes when employees perceive them in the desired manner. Therefore when quality working life initiatives are implemented effectively they are likely to cause



employees to perceive the employer employee relationship as a profitable exchange hence feel obliged to develop a bond with the organisation which may lead to better performance

A survey by Kehoe and Wright (2010) to test the mediating effect of commitment and job satisfaction on work life initiatives, found partial mediation effect. The study was done on fifty six (56) business units sampling ten (10) different job categories in a service industry commitment was tested as a mediating variable to human resource management practices and performance. Further, Kehoe and Wright (2010) tested the mediating effect using Baron and Kenny (1987) mediation analysis procedure and reported that commitment does not completely mediate the relationship between human resource management practice perceptions and Performance. Scholars have put an understanding emphasis on the mediating which human resource mechanisms through practices influence performance whereby (Wright & McMahan, 2011) are among the recent researchers to extent research on the variables with mediating effects on performance.

Based on this reasoning, organisations that effectively manage commitment or contingent human resource practices benefit from positive and mutual exchange relationships that encourage employees to reciprocate by portraying attitudes and behaviours such as affective commitment and employee job satisfaction that are paramount in pursuit of organizational goals (Wright & McMahan, 2011).

## HRM Practices, Organizational Performance and Leadership:

The leadership literature advocates that leaders are people who are able to create a social context in which employees are guided towards a shared interpretation, understanding and perception of the organisational climate (Yukl, (1989). However, both HR strength and leadership are two environment dimensions shaping and moulding employees' perceptions and interpretations. According to Armstrong and Baron, (2006), positive relationships between employees and supervisors can create high levels of trust and in turn affect organizational outcomes. Wang and Walumbwa (2007) observed that the availability of human resource management practices in Kenya's' organizations produce organizational commitment among employees who perceive that their supervisors support them by providing relevant information on the practices and their usage. Beauregard and Henry (2009) support that influence of human resource management practices on employee behaviour is moderated by managerial support. Management support boosts employees' attitudes, which enhances a greater similarity between the employee attitudes and the organizational goals (Purcell et al., 2009). Such attitudes are unlikely unless there is an effective workplace mutual trust, and empowerment to employees.

#### HRM Practices, Employee Behavioral Outcome, Leadership and Organizational Performance:

Leadership in Kenya is complex as it is characterized by a mixture of authoritarian and traditional leadership approaches (Wang & Walumbwa, 2007), bureaucratic hierarchies and modern supervision approaches which inhibit growth and competitiveness.

Kossek and Ozekis (1999) suggest that the provision of human resource management practices will positively relate with organizational commitment, job satisfaction and lower intentions to leave only when employees perceive that they have control over the usage of the initiatives. This argument was supported by Lambert and Waxman (2005) that, perceived supervisor support can be used as an indicator of favourable treatment prompting reciprocal positive actions from employees.

Empirical research gives undeniable evidence that there is a positive association in the relationship



between perceived supervisor support and performance at the individual and organizational level (Muchiri, 2011). However, positive relationships between the employee and the organization can help generate favourable outcomes such as organizational loyalty, rapid career progression, job satisfaction and organizational citizenship behaviours. Ployhart and Moliterno (2011) argue that benefits from the human resource management practices are not constant as some employees may value the same benefits differently hence incurring different obligations to the organization. They may also vary on how they find these practices useful to them personally, in terms of helping their family members or professionally. The more useful they find the benefits provided, the more they should want to give something extra back to the firm (Wright & McMahan, 2011).

According to Collins et al (2005), multiple models exist to explain the process through which human management impacts company resource performance. Since the purpose of human resource management practices is to more effectively manage people, it is intuitive that the impact of effective human resource management would be felt first at the employee level. Human resource practices should directly impact the employees of the firms where they are practiced and, if done effectively, will result in a number of positive employee outcomes. The outcomes might include such things as; commitment to the company, trust in management, higher levels of cooperation, higher levels of effort and involvement, and a lower inclination for employees to leave the company. These positive outcomes for the employees in the company in turn should lead to higher levels of operational and financial performance.

# Joint Effect of HRM Practices, Leadership andEmployeeBehaviouralOutcomeonOrganizational Performance:

Guest and Conway (2004) proposed a model to demonstrate the linkage between human resource

management practices and the firms' performance that proposed human resource outcomes such as employee competency, teamwork, commitment and job satisfaction and organizational effectiveness at organizational level. Bratton and Gold (2003) noted that performance measures at the individual and human resource outcomes is measured using absenteeism. resignations, commitment while operating performance measures are productivity, product and service quality and financial measures. However, Beardwell and Claydon (2007) noted that organizational performance measures are categorized into productivity, quality and delivery metrics. Based on the performance models used in past (Beardwell & Claydon, 2007) the frequently used measures of individual performance are productivity and service efficiency metrics. The measures were used to investigate the individual and combined effect of work human resource practices (reward management management, training and development, recruitment and selection quality work life) leadership, employee attitudes and behaviour on key individual and organizational outcomes in this current study.

To motivate behaviour, the organization needs to provide an effective reward system and according to Perce and Robinson (2007) reward power is available when the manager confers rewards in return for desired actions and outcomes. However, a reward is a work outcome of positive value to the individual (Armstrong, 2006). **Behavioural** theorists suggest that financial incentives have motivational properties that satisfy multiple individual needs and desires. Bartol and Srivastava (2002) have established that there is a clear link between monetary incentives and performance, this link is direct and it reinforces that employee portray organisation valued behaviours. According to Babakus, et al (2003), financial incentives have an influence on employee perception and attitudes thus in exchange for the rewards employees should reciprocate by increasing their commitment to their jobs and employers respectively. In conclusion,



employee behaviour is very critical in realizing goals and increasing productivity (Pattanayak, 2008).

Webster (2011) carried out a research of the effect of developing career development programs and opportunities for employees. The finding was that, provision of full or partial education or training support to employees is positively associated with iob performance and emplovee satisfaction. Investment in training measures and the implementation of development schemes are becoming increasingly acknowledged as vital elements of HRM (Oakland & Oakland, 2001), and studies across a wide range of industries and sectors have all found a positive correlation between investment in training and employee commitment (Bassi & Burenn 1999). For example, studies completed by Irving and Thomas (1997), Marchington and Wilkinson (1997) focus on employee commitment among hospital administrators, nurses, service workers, and clerical employees, as well as on scientists and engineers from a research laboratory; both confirm that employees were more committed to their jobs and the achievement of the objectives of the organisation when they felt that the company cared about their training and development needs. However, in view of this, it is clear that appropriate training contributes positively to employee retention because it makes employees feel recognized for their strengths, and it creates possibilities to develop their qualities and so employee training and development is an important determinant of organizational performance.

According to Noe (2008) there is both a direct and indirect link between training and business strategy and goals. Training can help employees develop skills needed to perform their jobs, which directly affects the business performance. Ivancevich et al (2007) argues that training and development of human resources involves change in skills, knowledge, attitudes and/ or social behavior in order to remain competitive. Organizations that emphasize quality do training in problem solving, problem analysis, quality measurement, feedback and team building.

Any process for which an organisation seeks applicants and attracts potential employees is called recruitment. However recruitment and selection refers to the process by which an organisation identifies those applicants with the knowledge, skills, abilities, and other characteristics that will help it achieve its goals (De Cieri & Kramar, 2008). The overall aim of the recruitment and selection process is to obtain at minimum cost the number and quality of employees required to satisfy the human resource needs of the organisation (Armstrong, 2003). Hiring capable people is an attractive point of departure in the process; but building and sustaining a committed workforce is more likely to be facilitated by the employment of a range of sophisticated human resource management infrastructures (Y. Chew, 2005; Raghuram, Bird, & Beechler, 1993).

Employers try to select and recruit the right candidates. At the same time, job seekers gather information about organisations and current jobs offers; because they cannot gain complete knowledge of all alternatives and their potential characteristics, they rely on imperfect signals (Chan & Kuok, 2011). When the cost of a mistake in recruitment is high, organisations are more discerning and the turnover of employees will increase (Chan & Kuok, 2011). Changes in economic and technological factors have encouraged the adoption of quality work life initiatives by organizations. This is in response to increased competition, market volatility, changes in the family demographics with increased women seeking formal jobs, dual earner couples, singleparent families among others (Bond et al, 2002). This implies that in order to create family friendly workplace human resource managers must design and implement with the help of supervisors, benefits and policies that help employees solve the



preliminary work life issues such as conflicts and work and non work responsibilities.

#### **Conclusion:**

Employee behaviour is influenced by a various forces, which are either internal or external. Employers who are aware of these forces, and who are prepared to control or neutralize them, can have a positive impact on the employee's behaviour whereas those who ignore these them usually have a negative impact on the employees behaviour. Employees who are motivated have job satisfaction, have affective organization commitment and their turnover intentions are low. Such employees' performance is high and as a result of this, they help their organizations survive competition. As smith and Cooper (1992) state, considering certain questions such as why do employees quit and why they work hard, helps in assessing performance in the workplace, which is in turn determined by motivation and temperament.

Rewards strengthen behaviour when employees see a strong connection between a specific behaviour and a certain reward. To get the best results, managers need to clearly identify good performance in behavioural terms and reward those employees who engage in these specific behaviours.

The literature review show that HRM practices have a significant positive impact on organizational performance, employee behavoural outcome effectiveness has a mediation effect on relationship between HRM practices and organizational performance and the interference of leadership between the independent and dependent variables have effects which are either positive or negative. For example, as stated by Noe (2008) there is both a direct and indirect link between training and business strategy and goals. This means that training can help employees develop skills needed to perform their jobs, which directly affects the business performance.

According to empirical research reviewed, it is evidenced that, there is a positive association in the relationship between perceived supervisor support performance individual and at the and organizational level. However, positive relationships between the employee and the organization can help generate favourable outcomes such as organizational loyalty, rapid career progression, job satisfaction and organizational citizenship behaviours. As Ployhart and Moliterno (2011) argue, benefits from the human resource management practices are not constant as some employees may value the same benefits differently hence incurring different obligations to the organization. They may also vary on how they find these practices useful to them personally, in terms of helping their family members or professionally. Wright & McMahan, (2011) concluded this by stating that the more useful the employees find the benefits provided, the more they should want to give something extra back to the firm.

#### **Recommendations:**

The study recommends that both employers and employees should use collective efforts in identifying an ideal mix of benefits that matches employee needs, developing a supportive culture respecting individual needs/values, and the continuous evaluation and improvement of organizational work life programmes, to bring in fruitful gains to individual employees as well as organizations.

It is evidenced that rewards strengthen behaviour when employees see a strong connection between a specific behaviour and a certain reward. In order to get the best results, the study recommends that managers need to clearly identify good performance in behavioural terms and reward those employees who engage in these specific behaviours.

It is further evidence that there is both a direct and indirect link between training and business strategy and goals. This means that training can help employees develop skills needed to perform their jobs, which directly affects the business performance. The study further evidenced that



with proper facilitation, the employees will be able to use and apply the knowledge to improve efficiency, and solve problems. In regard to this, it is recommended that organizations should endevour to train their employees in order to improve the organizational performance. However, all the above recommendations will help to improve the situation at hand.

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