THE CONTRIBUTION OF HUMAN RESOURCES PLANNING IN PUBLIC INSTITUTIONS PERFORMANCE: A CASE STUDY OF MLELE DISTRICT COUNCIL

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CERTIFICATION

The undersigned certifies that, he has read and hereby recommends for acceptance by the Open University of Tanzania dissertation titled *"The Contribution of Human Resources Planning in Public Institution's Performance: A Case Study of Mlele District Council"*, in partial fulfillment of the requirements for the degree of Master of Human Resources Management of the Open University of Tanzania.

Dr. William Pallangyo

(Supervisor)

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Date

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DECLARATION

I, **Nesphor John Moyo,** do hereby declare that, this dissertation is my original work and that it has not been presented and will not be presented to any other Universities, Researches and Training Organizations for the same purpose whatsoever.

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Signature

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Dare

DEDICATION

It's my desire to dedicate this research paper to my parents John Baptist Moyo and Judith Moyo as well as to my beloved sister Theresia John Moyo.

ACKNOWLEDGEMENT

Performing this task has been possible with direct and indirect efforts by various people. While it might be very difficult to mention all of them together with their particular contribution to this research paper, few deserve to be mentioned.

Firstly to the Almighty God who gave me strength, wisdom, courage and knowledge to conduct this research work in a very tight and hazardous schedule?

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Be blessed.

ABSTRACT

The study intended to investigate the contribution of Human Resources Planning in public institution's performance. The specific objectives of the study were: to determine the relationship between Human Resources Planning and institutional performance, to analyse the factors that will lead to effective implementation of HRP at MDC and examine the outcome of Human Resources Planning in public institution towards its performance. Mlele District council was used as a case study. Sample selection involved a simple random sampling was 50 employees were selected as a study sample. Data were collected through Questionnaires, and other document review. The collected data were edited, organized to meaningful way and were analyzed and presented in by using quantitative and qualitative research procedures. The major findings show that poor planning of HR has an impact on organization performance as the response from the respondents shows inadequate priority for HRP; there exist a lot of problems during process of HRP as insufficient top management support, insufficient funds, as well as shortage of expertise. The study concluded that Human Resource Planning has strong relationship with the performance of a particular Institution. Thus effective HRP leads to good performance and in ineffective HRP leads to poor performance of a particular Institution. The study recommendations that improvement in central government and ministries in providing effective support. To introduce and improve measures on matters relating to employees, as well as the District top management to increase commitment in all matters relating to HRP. Thus the respondents said there are many benefits that the organization gets from effective Human Resources Planning.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF APPENDICES

LIST OF ABBREVIATIONS

HR	Human Resource
HRM	Human Resource Management
HRP	Human Resource Planning
MDC	Mlele District Council
MOHS	Ministry of Health and Social Welfare
PMO	Prime Ministers Office
SHRM	Strengthening Human Resource Management
SHMRP	Strengthening Human Resource Management Practice

CHAPTER ONE

INTRODUCTION

1.1 General Introduction

According to Mathias *et al*, (2003) human resources planning is the process of analyzing and identifying the need for and accessibility of human resources so that an organization can achieve its goals. Thus human resources planning determine the human resources required by an organization its strategic objectives, therefore the specific needs of the organization are recognized and plans are made for achieving those needs.

Weather W.B. et al (1978) Define human resource planning as work force planning or personal planning that anticipate and make the provision of the movement of people into within and out of the work group, aiming to maximize utilization obit by ensuring the right number of people, with right capabilities are available at right time.

1.2 Background to Problem

The planning of human resource originates from human resource management. A commonly used human resource management, though a new nomenclature as a field of study in today's context existed in some form with the evolution of human organization. Nevertheless its a systematic study started with the development of the field of management in the beginning of the 21th century (Gupta, 2009). In delivering of services to the population, human resources play a critical role. Different management teams and decision makers have to ensure that the right number of

people, with right skills is at the right place at the right time to deliver services for both organizational and client needs, at an affordable cost. More elaboration are given on human resource planning its process of analyzing and identifying the need for, and accessibility of human resources so that an organization can achieve its goals.

Human resource planning from its origin enables workforce planning, or personnel planning, that anticipates and makes the provision of the movement of people into, within and out of the work group. Its primary purpose is to enable the work group maximize the utilization of its human resources by making sure that the right number of people, of the right capabilities, is available to do the task in correspondingly right job positions at the right time. Human resource planning helps work groups to implement their short and long- term organization plans. Due to the vital role of human resource to the performance of the company, human resources planning is very important part of the strategic plan of any work group (Gupta, 2009).

Such planning also includes specifying who is going to do what, when, where, how and with what resources for what population group or individuals, so that the knowledge and skills important for adequate performance can be made available according to predetermined policies and time schedules. This planning must be ongoing and not a sporadic process, and it needs progressive monitoring and evaluation.

Therefore the problem or challenges that face the most present organization's performance are the results of human resources that are both inefficiently and

ineffectively planned. Inefficient and ineffective human resource planning is associated with the lack of top management support, poor strategic planning poor budget, and absence of the of expertise to prepare good human resources planning for better performance of the organization, poor implementations of all human resources drafts, policies and poor human resources management information system (Gupta, 2009).

As an impact this results in general poor performance of particular organization (Gupta, 2009) therefore the major concern of this study is to find out the extent to which the human resources planning can help the organizational performance and then improve the applicability of its reports. As in local government and private sectors, always there exists deficit of workers mostly in heath and Education departments. The problem exists at Mlele District Council as well.

Human resources planning in most today's groups works does not concentrate on what skills will be needed in future and may do more than providing information of the right numbers required in a long term, although in some conditions it might involve making inadequate short forecasts when it is possible to predict activity levels and skills needed with reasonable accuracy.

This being the fact, there is an abrupt decrease of HRP at a decreasing rate of the organization's performance. This problem is serious to organizations having more branches and missing human resource information system. When they are at their planning process they need to make sure their plans and budgeting fall and reach the demand and needs of human resources. Such prediction will normally be based on

the broad scenarios rather than on specific supply and demand forecasts. Thus performances tend to differ among organizations, as the problem is poor planning of human resources.

1.3 Statement of the Problem

Human resources planning being one of the growing areas of academic study, various organizations regard their human resource as their core competency because it would lead to wards its better performance. Human resource planning normally gives reflection to the performance of a particular Institution all of which depends on its efficiency. Inefficient and ineffective human resource planning both have become a major problem in most group works performance in Tanzania despite of various reforms taking place in different periods by the government). It is caused by a big number of under performing organizations as indicated in Daily News and other government reports. As in local government and private sectors, always there exists deficit of workers mostly in heath and Education departments. The problem exists at Mlele District Council as well and that's why the study is carried out. The aim of the study is to measure the relationship between ineffective and inefficiency human resources planning and how they affect organizational performance. Effective planning is important for human resources (HR) professionals today, however, by just having a human resource philosophy of service to the organization is not enough. It all starts with business plan.

Nevertheless the study is aimed comprehensively to evaluate the link between adequate performance of an organization and overall planning of human resource. Furthermore the study intends to explore the potentials of human resources planning

as strategies, policies, elements and its system as to facilitate the development and utilization of organizational resources and general competences so as to yield the sustainable competitive advantage of a particular firm (Schuler and Jackson, 1987.

More genuine, effective human resource planning must encompass strategy, operations of the department, and priority of initiatives that join to the business strategy, and a marketing plan as well as budget that supports these efforts. Beyond these initial steps, human resource professionals must assimilate this plan with the expectation of achieving desired outcomes from the human function and impacting organizational results. This study intends to come up with such a multidimensional perspective.

The study focus on the contribution of human resources planning towards Institutional performance, and the basic aim is to determine the key determinants of human resources that contribute to the Institutional performance in public sector. Data collected from various levels of respondents will be the base of measurement for performance and human resources planning, and some criteria's for organizational performance will be job satisfaction, efficiency, employee motivation, as well as positive relationship.

1.4 The Objective of the Study

1.4.1 General Objectives

To examine the contribution of the human resource planning in public institutional performance**.**

1.4.2 Specific Objectives

(i) To determine the relationship between HRP and institutional performance.

(ii) To analyze the factors that will lead to effective implementation of HRP.

(iii) To investigate the impact of human resource planning in public organizations towards its performance.

1.5 Research Questions

(i) What are the importances of human resource planning in public sector?

(ii) What are the problems faced by MDC in implementing HR planning in the organization?

(iii) What are the effects of poor human resource planning in public organization?

1.6 The Significance of the Study

The study findings will contribute substantial awareness to number of organizations including the host one. To managers, they will be able to establish good human resources policies to match with the available supply of labor with fore casted demands based on the strategies of the organization. Management then can formulate HR strategies and plans to address the imbalance both short and long terms plans.

This study is designed for human resource professionals, organizational development managers and other leaders who want to learn more about the contribution of ineffective and inefficient human resource planning process. More honestly, the study findings will enable the researcher to fulfill the needs for bachelor degree in human resource management. Better still; the study will be used as an additional reference to researchers on human resource planning and management towards particular organization performance.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Literature Review refers to the work that a researcher consulted in order to understand and investigate the research problem, which will help into account of what has been published on a topic by accredited scholars and researchers. This process is a critical look of existing literature that is significant to the work that the researcher will be carrying out. It involves the examining documents such as books, magazine, Journals and dissertations that have been conducted. It is essential as it gives the provision of insight to a researcher of what has already been done in selected field as to know the strength and weakness. Furthermore it enables avoidance of duplications as well as developing analytical framework.

2.2 Theoretical Literature Review

2.2.1 An Overview of Human Resource Planning

We have some little specific literature on the methods used to translate to strategic goals of the organization and environmental influence into human resources objectives. Organizational change literature corporate planning literatures are helpful as a source of idea in this particular study. Studies about HRP and performance are essentially what an employee does or not. Employee's performance common to most jobs include the following elements; quantity of output, quality of output, timeliness of output present at work cooperativeness.

Organizational change is pervasive today, as organizations struggle to adapt or face decline in the volatile environments of a global economic and political world. The

many potent forces in these environments—competition, technological innovations, professionalism, and demographics, to name a few—shape the process of organizational adaptation. As a result, organizations may shift focus, modify goals, restructure roles and responsibilities, and develop new forms. Adaptive efforts such as these may be said to fall under the general rubric of *redesign*.

In this chapter, we examine aspects of organizational environments that research and practice suggest are changing and are causing managers to redesign their organizations. We discuss the effects of increases in scientific knowledge, societal trends in professional roles, and changing technologies and demographic trends on organizations. We then examine several bases for organizational design and redesign: the work of organizational theorists, the practical experience of managers, and the precepts of doctrine. Finally, we consider new organizational forms as a response to environmental change. Strategy execution is a topic of practical importance and its success depends on how an organization integrates and aligns business units and employee performance to the organization's strategic goals. However, many organizations find that realization of their strategic goals is not optimized. One of the key issues is that the strategy and the performance goals of an organization are often disconnected from performance management, which is a function of strategic HR in managing employee performance. Essentially, in this research, a performance management exercise that is aligned to organizational strategy and performance is viewed as a strategy execution and alignment exercise led by the HR team of an organization in the form of a performance management program. The purpose of this case study is to identify how a performance

management program can be linked to organizational strategy and firm performance. Elements such as the enablers of alignment, the question of whether the model applied differs in companies of different scale, the application of goal setting and expectancy models and reward systems are investigated to provide insight into the key factors of success in implementing a performance management initiative. Case studies of two organizations of different scale in Asia were conducted. Based on these studies, the findings indicate that several key enablers are critical for the successful implementation of a performance management initiative that aligns organizational strategy and performance goals.

These enablers were identified and validated against a contemporary management model of best practice principles of alignment and successful strategy execution presented by Kaplan and Norton (2006) Leadership in organizations is increasingly being pressured to keep up with the demands of intense global competition, which is accompanied by increased “rate of change and complexity” (Jeston, 2008). Thompson, Strickland & Gamble (2010) infer that the impetus for organizations now is not just in “crafting” a good corporate strategy, but also in the “execution and management” of the strategy.

In their research of global companies over a period of 17 years, Kaplan and Norton (2006) found that the underlying principles of good strategy execution and performance achievement reflect a similar pattern. Amongst the key principles is ensuring that strategy is translated into scorecards that align the entire organization towards execution of the strategy. This essentially means applying performance management initiatives, cascaded from organizational strategy, organization-wide.

The pursuit of improvement in organizational and process efficiencies has always been a key factor in the birth of countless new methodologies and operational philosophies. There have been numerous breakthroughs in management paradigms, specifically in the area of organizational excellence. Some of the notable examples in the field of strategy, execution management, performance, and change are Porter's "Five Forces" (Porter, 2008), Kaplan and Norton's "Alignment" (Kaplan & Norton, 2006) and "Heart of Change" by Kotter (Kotter & Cohen, 2002). However, the "crucial factor in organizational excellence" (Vecchio, 2004) is the human element.

Management principles are largely dependent on the human element, a fact that both academia and practitioners have long recognized. "Organizations are manifestations of the underlying values", ensuing culture and output of their "founders, managers, or members" (Ledford, Wendenhof, & Strahley, 1985). Apple is one organization that has represented this fact in recent times. Its leader's enormous influence in the organization has built a culture of excellence within the organization, where the output of sophistication (Margulus, 2005), ecosystem (McGirt, 2006) and technology are to bemarvelled at and enjoyed by the masses (Peterson, 2007). The foundation was its human element that was spurred by a major cultural shift (Palmer et al., 2009).

Improving human performance has become a crucial factor in organizations and leaders have to focus on this to successfully steer through the current hyper-competitive era. However, the pursuit of the improvement of human performance hinges on the "performance management capability" of an organization. Mithas, Ramasubbu, and Sambamurthy (2009) infer that this is pivotal to enabling firms to

continuously evaluate strategy and refine actions towards optimum performance. This capability directly links the organization's ability to deliver superior customer service as well as enhanced financial and overall organizational effectiveness. Performance management necessarily involves four distinct but inter-related theories:

"organizational behavior", "organizational theory", "human resource management" and "organizational development" (Vecchio, 2004). Thus, the study of performance management and its link to organizational strategy is not isolated or founded on one theory alone. Instead, it involves the foundation of all four theories to be viewed as one integrated research agenda. These comprise the studies of attitudes and groups in a company, the organization as the unit of analysis, personnel management from a strategic perspective, and change management. Consistent review and management of strategy execution and the performance achievement process through all leadership levels, right up to the board level.

To summarise the methodologies prescribed above in the ordinary language of day-to-day corporate management practise, item 1 deals with leadership and change management elements. Items 2, 3, 4 and 5 deal with strategic human resource practices and can be described as a function of a performance management initiative. The reward element touches on employee motivation. Performance management typically falls under the functions of strategic human resource management (HRM) in most organizations. However, the link between organizational performance and strategic HRM has been deeply analyzed (Camps & Arocas, 2009), often questioned in recent times, and deemed a "black box" (Wright & Gardner, 2003 cited in Katou,

2011). The “black box” refers to the cause and effect relationship (Gerhart, 2005 cited in Katou, 2011) between organizational performance, strategic HRM practices, and the impact of those practices on the performance of the organization. Colville and Milner (2011) attempted to provide direction by pointing out that HR needs to assess and understand the organization’s “current state”, where it wants to be in a “future state”, and “the shift” needed to move the organization in that direction.

One of the most popular models that strategic HRM tends to lean on for performance management is the theory of management by objectives (MBO). The premise of MBO is the practical application of the goal-setting theory (Drucker, 1954; Caroll & Tosi, 1973; Raia, 1974; Kondrasuk, 1981; Vecchio, 2004) revolving around an organization’s essential need to put in place performance criteria and reward systems for effective management and planning (Globerson, 1985). This is where performance management practices were introduced and employee performance was deemed one of the keys to an organization’s success. (Lu, Hamid, Ijab, & Soo, 2009). This was even extended to non-profit institutions, such as those in the higher education industry, for better and more effective management of resources (Arena, Arnaboldi, Azzone, & Carlucci, 2009).

Studies pointed out that the MBO methodology is subject to failure when managers ignore the participative element of their subordinates, and when top management does not support MBO initiatives. Of the seventy studies that were done, quantitative evaluation showed that almost sixty-eight research subject groups showed improvement when top management commitment was high and the quality of the relationship between supervisors and subordinates was good (Rodgers & Hunter,

1991; Rodgers, Hunter, & Rogers, 1993; Vecchio, 2004). Kaplan and Norton (2006) imply that strategy translation, execution and change management must necessarily emanate from executive leadership for an organization to achieve optimum performance.

The “essence of performance management” (Clark, 1998) is to put in place a framework to drive the entire human resource of the organization towards high performance, through, monitoring and motivating employees to achieve optimum productivity. Behn (2003, cited in Arena et al., 2009) identified additional dimensions for reasons of performance management: “to celebrate, to learn and to improve.” This process must be transparent and its links must be auditable. The “principal foundation” or underlying theory of performance management can be traced back to “social psychology” involving goal setting and expectancy theories (Clark, 1998).

From the strategic perspective, the application and methodology of performance management application, particularly how “high performance human resource management” links to the strategy and performance goals of the organization “is not clear” (Guest, 1997, cited in Den Hartog, Boselie, & Paauwe, 2004). With his professional experience, the author noted that a similar phenomenon was prevalent in most companies in South East Asia. Behn (2003, cited in Arena et al., 2009) infers that the interest in defining what a performance management system is continues to be of importance.

In the change management space, taking the example of Kotter’s change management model titled “leading change”, developing a clear vision or strategy and

aligning the entire organization to that strategy is the first step, which must be done in the right sequence (Kotter, 1995). He adds that this is the step that holds the key to opening the floodgates of change. Linking the performance goals of business units and individuals within an organization is a major change exercise; a clear strategy and communication and translation skills are key factors in the alignment process. Alignment in turn would be the critical factor linking employee performance management to the organization's strategy and performance goals.

Another important prerequisite for a complete performance management framework is having technology-enabled visibility of key performance parameters that reflects how the organization and its workforce are faring in improving performance. A well-structured performance management tool embedded within the performance management framework and that delivers important financial and operational data reflecting current performance status is key for a company's management team to identify gaps and take corrective measures.

Reporting performance outcome in a prompt manner (Anthony & Govindarajan, 2005; Kaplan & Norton, 1992; Mithas et al., 2009), and highlighting the areas of weakness within the divisions, units and among employees, is critical in manifesting feedback interaction. Additionally, the tool must be able to reflect performance status and be linked to the yearly performance review process and reward mechanisms. The topic of this research is highly subjective. The situational circumstances, backgrounds and the political scenarios of the organizations being researched are distinctly different and thus cannot be generalized and viewed in the conventional sense.

In view of the above, the research methodology adopted in this case study was qualitative in nature. This qualitative approach helped to pave the way for the research to unlock the value of the practice of theories and the real life deviations from these theories based on situational elements such as, but not limited to organization maturity, size, leadership and cultural circumstances surrounding the organizations subjected to research.

The research looks at the models applied by the firms in both case studies in translating and aligning their organizational strategy, and how the steps taken in succession affect the successful linking of employee performance to the strategy and performance of the research analyses important factors that govern strategy execution and the performance management exercise. These factors complement each of the management practices summarised by Kaplan and Norton (2006). Motivational programs and governance models also differ from one organization to another.

The research takes into consideration how the application methodologies become relevant depending on contingent factors in the organization. The case study analyzed prior research data in the area of performance management and strategy execution to establish the theories in practice in the domain, and the management principles identified by other authors. The secondary research exercise set the stage for the start of the research and the conclusion. Previous research, especially by the balanced scorecard practitioners Kaplan & Norton (2006), as well as by other researchers published in management journals and the Harvard Business Review, is voluminous. Careful selection was done to identify and study previous research that

was relevant to both performances. The bonus and rewards program for the top management team were also based on performance achievement, and this practice was used throughout the entire organization.

However, the performance evaluation for middle management and below was based on the supervisor's annual evaluations and not on objectives based on defined it. The company embarked on a performance management initiative to extend its management-by-objectives process to the rest of the organization; its target was to institute the objective evaluation of all employees for the bonus payment based on performance achievement. The implementation of the initiative, the framework adopted, and the outcome were researched as a case study for this research. Kaplan and Norton (2006) state that in their 20 years of research in the area of strategy execution in many organizations, they have found a common pattern of key management principles that evoke best practises in alignment. In this section of results and analysis, the research attempts to present the results based on the management principles of strategy execution and alignment model in the order of importance as presented by Kaplan and Norton (2006, p. 3) outlined in the literature review section in pg. 3. This research also takes the opportunity to validate the management processes against the reality on the ground based on the case studies.

The results showed that key leadership did not initiate the change. A performance management program was in place for the company's top management team and was overseen by the company's corporate strategy office, which reported directly to the director. As one of its key strategic initiatives, the company's HR division decided instead to establish a performance management program for the entire organization.

The establishment of the program was made as for one of the units in the HR department, and the leader of the unit, together with his deputy, were accountable for initiating the organization-wide performance management program. The program was not sponsored by the director but a program initiated and led by the HR division head.

In contrast, observations revealed that the board had requested the director to establish a performance management platform for the entire organization. Staff in the HR department, however, had no clue how to go about doing so as they had never worked within the culture of management-by-objectives. The performance management platform was a new element and was considered a major change by the company's senior leadership. However, it was observed at this organization that establishment of the program is still in progress, and that it has not been completed as envisaged. Observations indicated that although the director initiated the program with a consulting firm appointed by the board, he did not get involved in the execution, nor did he govern the execution of the program.

In both case studies, executive leadership did not play a major role in program implementation struggled with the program execution while flourished because it had a very competent and capable initiative leader. As such, its program was well executed and the entire cascading program was completed within four months of initiation had neither a corporate scorecard nor a clear strategy in place. The director did not have in place and had not implemented a formal -based management program with the senior team. In this scenario, the organization did not have a clear organizational strategy and performance goals. This aspect was reflected in the entire

organization, which had neither translation nor translated or cascaded from any defined strategy.

Though the middle management team seemed to welcome the idea of performance goals, senior management opined that the goal setting exercise was a futile effort, as the market was uncertain and the revenue of the firm was solely dependent on market movement. Since the company is in the brokerage industry, its revenue is dependent on the volume of shares traded in the stock market. Further analysis of this justification by senior management showed that has actually trailed behind its competitors in the market in terms of revenue trend and market share over the past few years. It used to be amongst the top three-brokerage firms in the market.

During the research period, however, its market share had declined, and it was in sixth spot in the industry. Faced with these findings, the senior team indicated in an interview that this could be due to attrition of their top brokers, who took some of the biggest accounts away to competitors. Overall, the sentiment of managers on defining there was not favourable. Resistance to change was evident and thus affected the progress of the initiative. There was evidence of a clear strategy. Based on interviews, observations, and company documents, it was evident that had a corporate strategy, its corporate agreed with that of its parent company, and it had a separate scorecard. The HR team felt that the managers could have played a more serious role in ensuring that the scorecards were defined well by each employee. The corporate strategy team opined that their responsibility to was to ensure that the quality of stops.

They felt that a structure similar to the corporate strategy's role in ensuring quality at the top management level could be duplicated at each divisional level. The corporate strategy team acted as a monitoring body for the set for the top management. Similar structure was seen as being relevant and important at divisional level. This could be done through the assignment of performance managers by each division. Besides governing the quality of these managers could help their respective division's employees in developing the right key population.

Overall, however, it was observed that the HR team, the corporate strategy team and employees in general felt that the alignment element was a key milestone of the performance management program, which was perceived as a major change initiative Education and reward are the aspects of motivational elements presented by Kaplan and Norton (2006). In the case study, a review of HR documents and an interview with the HR leader revealed that no formal education or training program was in place at the organization.

However, according to the subjects interviewed, periodic and ad-hoc training programs are conducted across the organization when the need arises. Promotions are discretionary and based on the evaluation of an employee's performance by senior management and the director, which occurs as and when required. Observations showed that primarily rewards employees with a yearly bonus, which is, about a month's pay on average. The bonus is paid to everyone as part of a standard employee compensation program. Other than this, revenue division staffs are paid commission on brokerage fee revenue generated for the company. This commission

is paid on a monthly basis according to a fixed-ratio schedule, and is part of a standard compensation package for employee.

From the observations, it does seem that was comfortable with the existing set of HR practices. Political groups were seen in the organization's social architecture. Some senior management teams are aligned with the and they form a powerful group within the organization. This group is able to influence others, and is involved in most of the director's strategic moves. Some senior management personnel and senior brokers are aligned with the head of the brokerage division, the division from which the company's revenue is derived.

They form another powerful group, not aligned with the director, within the organization. The division head of brokerage is instead directly aligned with the company's group executive chairman. Socio-political aspects seemed to influence the organization's hiring, compensation and career progression elements. It was recorded during observations that some key hiring within the organization, as well as compensation packages, were decided directly by the company's group executive chairman. No formal process of qualification of the employee concerned was carried out in consultation with the HR team.

Similar instances were observed with respect to promotions: the director directly decided on some important promotions of employees to executive leadership positions. With these political elements in play, the motivation level of employees at different places in the organization's hierarchy varies based on the relationship between senior management members and the director and executive chairman. At

the organization has a comprehensive education and training program, specifically weighted towards managerial staff, in place for its entire workforce. The company has a talent management program for employees that perform exceptionally well. In response to the theme of this section, as to whether a formal training and education program was in place to support a performance management program, it was observed that there were training and education programs for the supervisors and managers targeted specifically towards nurturing the knowledge and competencies of goal setting and coaching. The objective was to equip managers with the right knowledge to coach their subordinates towards performance excellence and competencies in the area of management-by-objectives.

Prior to the performance management program, the yearly bonus payment (a significant reward event for all employees at was based on a yearly evaluation of employees by their supervisors. Each employee was assigned a rating level of 1 to 5; this was based, however, on a subjective evaluation without any objective performance goals based on achievement and peer evaluation. With the introduction of the performance management program, the evaluation was based on objective performance achievement. The HR department introduced performance points, a 12-weighted average of an employee's scorecard performance points and points from a 360- degree competency score.

Employees who achieved level 5 were paid a bonus of up to 11 months, while those achieving levels 1 and 2 would get none. It is noted here that the fixed ratio schedule, as used at in the form of a commission scheme for the brokers and a bonus scheme for all employees, was not adopted at case study, the company was observed to have

adopted a variable-ratio schedule in the form of a bonus scheme tied to one's measurable performance goals. Interestingly, if the entire employee population in a division performs well, the performance rating varies according to a forced distribution enforced by the company based on the division's performance. Thus, the ratings were not based solely on an employee's Overall; the observations reflected that had a strong governance framework and process in place for the monitoring and management of its strategy and performance.

Based on interviews conducted, most of the respondents believe that the company's new program is focused on performance, and that its workforce population has adapted well to the performance management program. The HR department considers the program a success, especially in the area of yearly performance evaluation and reward (bonus), which, in the year of research, was based objectively on the performance scorecard and competency evaluation, weighted average of performance and competency scores. The forced distribution of ratings for each division and facility of manual moderation by the divisional councils through the system, were systematic, structured and objective. The HR team opined that the competency evaluation, in particular, received a good response from employees.

A survey was carried out based on the stratified random sampling method. A total of 819 employees from various divisions and grade levels were chosen to review the performance management initiative. The objective was to detect on the ground sentiments and change management aspects covering some important processes of the performance management initiative. The case study of performance management program shows an entirely different outcome. The performance management

program is still at the inception stage, and faces resistance at the ground level. The HR head, when interviewed, was of the opinion that the program had been delayed past its goal, and that board intervention would be required to salvage the program.

The senior management team and the director felt, however, that business was moving as usual. They do not appear to have any idea of either how to move the performance management program, or the urgency of moving it forward. Suffered a loss for the financial period during which the performance management program was being implemented. The director remarked during an interview that the loss was affecting the holding company's cash flow and that the loss was solely due to market conditions. On further analysis, it was confirmed that the market had indeed suffered a decline in trading volume. The analysis confirmed that the decline in earnings reflected the decline in revenue. The company's brokerage division, which is the key revenue enabler, seems to operate at the mercy of market conditions; is of the opinion that they cannot do anything if the market is bad. Observations seem to indicate that implementation of the performance management program is failing and may come to a halt if the board does not take drastic measure to move it forward.

The measurement of which varies depending on various factors (Bates & Holton, 1995). On an individual basis, it is a record of person's accomplishment, (Kane, 1996), argues that "performance should be defined as the outcome of work because they provide the strongest linkage to the strategic objective of an organization, customer satisfaction and economic contribution." The Oxford Dictionary defines performance as the accomplishment, execution, carrying out, and working out ordered or undertaken.

Performance goals can be achieved with the help of high performance work system, which take into account the factors affecting individual performance and promote flexibility. They also include the rigorous recruitment and selection procedures, performance and contingent incentives, compensations system and management of training and development linked to the need of the business (Armstrong, 2003).

Cole (2007) identifies the categories of the staff that are important in Human Resource planning. These are for the; existing staff (performance appraisal, productivity deployment, equal opportunities, training, remuneration, promotion/ career development. New recruits (recruitment methods, selection procedures, inductions, training and terms of contract). Potential staff, (recruitment methods, public relations, wage/salary levels, employees' benefits). Leaves, (dismissal for poor performance, retirements, redundancies procedure labor turnover) etc.

2.2.2 The Contribution of Human Resource Planning In Strategy Implementation

Human resource planning should be considered as significant organizational asset. In this context the application of appropriate human resources strategies for its development can lead to the improvement of the corporate performance both in short and the long term.

However there are some companies where human resources are not considered as having particular importance for the firm growth. In this context Haines (1997), supported that there are firms that "view their human resource as an expense rather than an asset an element that is expendable and perhaps discarded when the skills

processed becomes absolute. However when human resources are viewed as an asset, companies enhance individual value through training and human development and ensure continued contribution to the organization. The importance of human resources planning for the corporate performance has in any case proved both in the literature and the empirical research conducted in all industrial sectors.

In accordance with the above, in order for a firm to achieve a stable and continuous growth, it is necessary that its employs are satisfied – as this term has been explained in the literature. More specifically, in accordance with Kim (2005), "job satisfaction is an affective or emotional response toward various facets of ones job. Job satisfaction has been a topic of great interest for researchers and practitioners in a wide range of fields, including organization psychology, public administration, and management".

On the other hand, the existence of job satisfaction has been extensively related with the level of payment of employees in the particular sectors of specific organization. Indeed, the study of Rudman (2003) showed that "paying for performance is a big issue in contemporary human resources management; organizations have long believed that production and productivity improve when pay is linked to performance, and have developed payment-by-results (PBR) systems and incentive schemes to support this belief".

In the same context, it is noticed by Blinder (1990, 117) that "employees usually feel that profit sharing and gain sharing are good for personal effort, company growth and productivity, and workplace atmosphere". However, in order for the firms to achieve

the maximum level of growth, it is necessary to design and apply the appropriate HR policies as indicated by each particular firm's needs. The use of 'fit' a criterion of evaluation of the appropriate corporate strategy has been extensively used in practice.

Towards this direction Wright (1998, 56) mentioned that "the basic theory behind "fit" is that the effectiveness of any HR practice or set of practices for impacting firm performance depends upon the firm's strategy (or conversely, the effectiveness of any strategy depends upon having the right HR practices)". In other words, the issues that need to be considered by a firm before applying any relevant HR strategy are many.

Indicatively, Katzell (1975, 5, 11-12) tried to identify the relationship between the employee satisfaction (as a result of a specific HR strategy) and the corporate performance and found that "policy-makers must face up to a serious dilemma and find some way to resolve it; the dilemma is this: policy-makers would like to achieve two objectives for work organizations. On one hand to enhance productivity and performance, and on the other to improve the quality of working life and job satisfaction for employers because under certain conditions, improving productivity will enhance worker satisfaction and improvements in job satisfaction will contribute to productivity; what it does mean is that there is no automatic and invariant relationship between the two". Under these terms, corporate performance has been found to be related with the employees' performance within a particular organization.

From a different point of view, Lawler et al. (2003, 15) supported that ‘human resource' greatest opportunity to add value may well be to play a role in the development and implementation of corporate strategy; human resource can make a logical case for being an important part of strategy development, because of the importance of human capital in the ability of the firm to carry out its strategy”. In other words, human resource planning can influence the firm’s growth in accordance with the measures provided for the personal and professional development of the firm’s employees even in the long term.

The implementation of appropriate diversity strategy has to be considered in this case as absolutely necessary because in case of inequality in the workplace, no cooperation would be regarded as existed – even if such cooperation exists, it will be problematic. In this context, Mathews (1998) noticed that “before diversity strategies are implemented, the organization's cultural environment, management and evaluation systems should be examined to ascertain if existing personnel/human resources processes will support or hinder diversity in the organization; then, appropriate strategies can be designed to develop and manage diversity based on these findings”.

From the same point of view, Ramlall (2003) supported that “given that several large-scale studies have proven that human resource planning is a critical driver in an organization's financial performance, it is imperative for human resource and other leaders to understand the critical nature and utmost importance of understanding the effectiveness of all human resource activities in creating value for the organization”.

To a more thorough examination of the problem, Christensen managed to identify the five elements that are considered as most crucial in the improvement of the employees' productivity (as this improvement is expected to lead to the increase of the corporate growth). More specifically, Christensen supported that there are five elements which are extremely important for the effectiveness of employees within a particular organizational environment.

These are (1958): "a) The technical organization of the group; b) The social structure of the group; c) The individual task motivation, i.e., the willingness to work hard that each member brings to and maintains toward his job; d) The rewards he receives from doing the job, and e) The satisfactions he obtains from being an accepted member of the group". The above elements can exist in any organization and can influence the productivity of its employees either in the short or in the long term. Companies rely on their employees to produce products or provide services in a timely fashion. And while employees can easily learn the tasks and procedures required to carry out their roles, organizations can benefit from providing motivational incentives for exceptional job performance. Motivational theory in an organization has to do with the way in which a company motivates its employees to perform as a group and within their individual job roles.

The way an organization manages its employees plays a significant role in influencing productivity and morale levels. An organization functions as a whole to achieve its stated objectives and also functions as a set of individual departments. As such, organizational management takes place at the company level as well as at the department level. Organizational management practices often incorporate

motivational theories in order to best utilize a company's human resources. In effect, organizations use motivational theories to develop systems that promote productive work environments on both departmental and organizational levels. The use of reward systems within an organization's management practices makes use of the principles found in expectancy theory and reinforcement theory, two of the many motivational theories employed by organizations. Expectancy theory examines how employees perceive the relationship between the efforts they exert and the expected reward for reaching a goal.

The higher the level of expectation, the more motivated an employee becomes. Reinforcement theory uses incentives, such as promotions or pay raises, as a way to reinforce good job performance. Reinforcement theory also uses negative reinforcements to discourage poor job performance as well as inappropriate behavior, such as negative attitudes. Individual perceptions on the part of employees can play a role in the motivational theory approach used by an organization. One approach, known as the equity theory, examines how employees perceive the rewards given in exchange for the tasks they must complete.

When employees view their efforts and the resulting rewards as equitable exchanges, motivation levels increase. Equity theory also considers the effects of inequitable practices in terms of how employees view the rewards received by coworkers. Employees may perceive inequities in cases where other employees receive better or more valued rewards than others. When this happens, employee motivation levels and job performance may decrease as a result of unfair or inequitable treatment toward different employees. As worker productivity drives a company's progress,

many organizations incorporate goal-setting as a motivational approach for promoting worker productivity. Goal-setting theory assumes employees become motivated when working toward specified goals and objectives. Some organizations may assign the goal-setting task to department managers or encourage managers to elicit input from employees when developing goals and objectives. Goal-setting theory works best when employees have a clear understanding of a goal and the tasks required to complete it.

Ongoing feedback on employee performance can also serve as a motivational tool to encourage worker productivity. Performance management is a process of delivering sustained success to organizations by improving capabilities of individuals and teams. Organizational culture as a significant contextual factor in performance management is scarcely studied. The aim of this study is to expand the base of knowledge and empirically test the relationship between components of organizational culture and performance management practices.

The study adopted exploratory research to explore the impact. Primary data was collected through questionnaires from 60 employees in COMSATS Institute of Information Technology. The sample consists of both male and female faculty members. Regression and Correlation analysis was used for statistical analysis. Statistical results show that involvement is highly correlated with consistency and adaptability. Similarly, other dimensions of organizational culture have significantly positive relationship with the performance management practices. This research selected sample from few cities of Pakistan. Future studies could select other cities and compare results with city of selected sample. This research used random

sampling procedure, which is the main limitation of this study. Future studies could use stratified random sampling procedure with more sample size. It is hoped that the findings of this study will assist the human resource managers; practitioners and strategy makers to better understand organizational performance practices. The added value of this paper is to link theory and practice, and explore the organizational culture dimension impact on performance management practices.

Few studies have conducted over the years under this perspective in the Pakistan. In recent years, interest in no financial performance measures has grown, as evidenced by the large number of literature investigating balanced scorecard, value based management, total quality. The increased attention to no financial measurement reflects increased requirement of information for managing and decision making processes because of strong competition, constantly changing environment of organization. Those processes are based on organizations' relations with an environment. The dimensions that lead to the deeper analysis of relations between performance measurement system and environment of organization are very important for today organizations. According to this aspect, it could be stated that performance measurement system (PMS), which covers financial and no financial measurement and fits with environment of organization should be critical for today's organizations and need deeper and continue researches.

It is important to contribute to a better understanding of the factors that affect the features and content of PMS in organizations and the relationship between these factors, performance measurement practices and environment of organization (Alas, Sharifi & Sun, 2009; Ginevicius & Podvezko, 2009; Gudas, 2009). The dimensions

that lead to the deeper analysis of such factors and relations were disclosed in this article according to different theoretical assumptions - institutional, contingency and complexity theories. Institutional theory will answer the question - what factors form and influence internal and external environment of organizations and herewith the features and content of PMS. Contingency theory will answer the question - what external environment is surrounding the organization and influencing its internal environment. Complexity theory will answer the question - how organization reacts to its external environment.

Combining the main presumptions of institutional, complexity and contingency theories it could be maintained that the level of environmental uncertainty and organizations reactions to it could be dimensions according to which features and content of PMS in different organizations could be researched. Those two dimensions form four types of organization's environment peculiarities of which performance measurement system should be reflected.

In order to point out the features and content of performance measurement according to the environment of the organization, quantitative research (survey) was performed. Survey was performed in Lithuanian organizations, which were chosen by a handily selection method. The purpose of the research is to analyze the internal and external environment of Lithuanian organizations, features and content of performance measurement system: transparency of the strategy, homogeneity of the goals and correctness of the processes. Organizations large and small, private and public, in all endeavors, face increasing pressures to improve their effectiveness. Organizations

that succeed will be those that anticipate change and develop strategies in advance. This puts a premium on certain performance capabilities such as adaptability, flexibility, responsiveness, decisiveness, speed, quality, value, and customer satisfaction. This training brings together the most successful strategies and approaches for achieving a high-performing organization. These strategies and approaches are based on the latest research findings as well as those used by? World-class? Organizations. The training covers all the key elements that contribute to high performance and organizational effectiveness.

What motivates and demotivates employees have been researched extensively over many decades and has resulted a wealth of motivation theory. These studies show that the factors that influence employee motivation are individual and complex and no single theory to explain motivation has emerged. Motivation is what influences or drives our actions and behaviours - usually towards a goal and a reward that satisfies our needs. Employees are motivated when they expect that their actions are likely to achieve a goal or receive a reward that satisfies their needs.

Motivating employees is about influencing them to move in the direction set by you or the organisation, and creating the conditions where they want to persist in applying effort to achieve organizational goals. Self-generated, internal motivation: that sense of satisfaction and achievement we feel when we spend time on activities that reflect what drives us, activities that we enjoy.

For example, if we have an inner drive to learn new things, we may feel highly motivated at work completing tasks that require us to develop our knowledge, skills

and experience. Working on and completing these tasks can give us feelings of deep inner satisfaction, particularly in contrast to tasks that offer no opportunity for growth.

Other examples of intrinsic motivation could include: being creative, solving problems, using our skills and talents, completing important or challenging work, work that gives us power, authority, autonomy, makes us feel important, appreciated or accepted or will advance our careers. External motivators are given to us by others, such as a salary, bonuses and other incentives, security, praise, recognition, promotion or even punishment or withdrawal of privileges.

Extrinsic motivators tend to be determined at the organizational level and outside the control of individual leaders and managers. They also have more of a short-term impact on motivation: if they are withdrawn, motivation rapidly falls away. In contrast, intrinsic motivators are more within the direct control of individual leaders and managers and tend to be longer lasting as they come from within and do not rely on the actions of others.

Employee motivation is complex and personal. Farren's 12 Basic Human Needs reminds us of our common needs and provides a good starting place from which to approach motivation theory. The key function of managers is 'getting things done' through employees. The following assignment looks at the role of motivation and why it is essential for managers to be aware of the various motivational theories and how the motivational theories could be implemented in a professional context to achieve organisation's goals and objectives.

Motivation has been defined as: the psychological process that gives behaviour purpose and direction (Kreitner, 1995); a predisposition to behave in a purposive manner to achieve specific, unmet needs (Buford, Bedeian, & Lindner, 1995); an internal drive to satisfy an unsatisfied need (Higgins, 1994); and the will to achieve (Bedeian, 1993).

Organisations exist to achieve corporate objectives and employees working in those organisations aide in achieving those objectives by working towards their individual goals and targets. In an ideal world, if every individual was providing his best performance then organisational goals would be met sooner too; however in the real world it is often not the case. Organisations lag behind and more often than not the reason is a demotivated staff. An understanding of the basic human nature is important for effective employee motivation in the workplace and also for effective management and leadership.

In today's business world with rapid changes happening all around, it has become even more important for managers to motivate their staff and help their staff in optimising their performance. Besides, research and observation proves that motivated employees are more creative and productive in the work place. Several theories of motivation have been presented amongst which Maslow's theory states the purpose of human existence is 'Self-actualisation' and the only way that state can be attained is when the basic human needs are met. Thus according to Maslow, human needs can be represented in the form of a pyramid.

Whilst Herzberg theory states that in a work environment context there are mainly two factors which determine the motivation levels of employees. The first set of

factors which he termed as the hygiene factors do not lead to positive motivation, however a lack of those hygiene factors could lead to de-motivation. Herzberg's theory is particularly useful as it discussed the importance of providing a good working environment and to a certain degree highlighted the importance of a good working environment in achieving a better performance from employees. Herzberg's work categorized motivation into two factors: motivators and hygienes (Herzberg, Mausner, & Snyderman, 1959).

Motivator or intrinsic factors, such as achievement and recognition, produce job satisfaction. Hygiene or extrinsic factors, such as pay and job security, produce job dissatisfaction. McGregor's theory stated that staff would contribute more to the organisation if they were treated as responsible and valued employees. Likert (1967) suggested that for an organisation to perform better, managers must adopt a participative-group system, whereby, leadership is by the superiors who have complete confidence in their employees and motivation takes the form of economic rewards which is further based on goals set by paragraphs, Various other theories presented by Vroom, equity theory etc all discuss how employees can be motivated and should be motivated to enhance performance. As stated above individual performance taken collectively determines organisational performance and when organisational performance is not up to the required level, the organisation would not be able to sustain itself and might loose out in competition.

Motivation theories provide an insight into what makes an employee perform better. It provides managers with a tool to motivate employees and helps them in understanding how the staff can be managed better. It is therefore no surprise that the

area of human resource management and organisational behaviour is looking into how important it has become for organisations to focus on retaining ‘employees’.

Recent literature has emphasised the importance of knowledge management. It is a known fact that high labour turnover, costs the company which results in lowering the level of profits. Profit maximisation is the ultimate corporate objective, it would be fair to say that is the sole reason why companies exist to maximise profit, generate revenue and anything that can result in increasing profit levels will be looked upon favourably.

Lack of knowledge about motivation theories might lead the managers to believe that monetary incentives are the only way of motivating staff, however, the theories has helped the managers in understanding that individuals have different needs. It might be that employee A prefers to have more responsibility as compared to employee B. Hence increasing A’s responsibility and appreciating A motivates him more than B who would be satisfied with getting a monetary incentive. Similarly, employee C might be a single mother who would prefer to have more flexibility in the job and would be able to perform better if the work that she is doing enables her to look after her child and work. The above examples prove that in a professional environment for a manager it has become even more important to understand the needs of his ‘internal’ customers.

A concept which can be borrowed from marketing is if the customers’ needs are met the organisation’s objectives can be achieved. The argument can be extended in this context as well where it can be said that when internal customers are kept happy,

external customers will automatically be happy. The above is an example to explain Vroom's theory, according to which rewards and incentives should be based on what the employee perceives to be important rather than what the managers perceives to be important. Thus he aimed to explain employee motivation by explaining the link between how individual goals influence individual performance. Thus the knowledge of motivational theories provides a deeper insight into the psychology of employees and staff.

The importance of organisational performance cannot be highlighted enough. Research and surveys are being conducted to understand what can improve the organisational performance and the obvious link is individual performance. Performance more generally is defined as a function of ability and motivation. However, in order to motivate staff it is important to have an effective performance management system. In order to provide rewards to the staff it is imperative to have appropriate benchmarks to measure the performance. Literature in this area has highlighted the importance of having formal appraisal systems which can either be in the form of self-evaluation or 360 degree appraisal, top-down, bottom up etc. The above mechanism enables managers to scientifically assess and then provide appropriate rewards and incentives to the staff, whether monetary or non-monetary in nature.

In addition to the performance levels, retaining staff by continuously striving to motivate them helps managers to retain knowledge which the employees have acquired over the period, it helps the employees to complete tasks faster as they are already aware of how 'things are done around here' and more importantly it helps the

systems to be developed so that work can be done quickly. It helps in achieving specialisation and employees acquiring key skills. From the preceding paragraphs it can be concluded that it is imperative for managers' to have a thorough understanding of the motivation theories. However, it is easier said than done. There is no simple answer of how to motivate people, though an understanding of the theories does help. It enables the managers in enhancing not only the individual but also the organisational performance. The primary objective of organisations' is to survive, sustain and grow and the objective can be met when the employees and staff are happy.

This can be achieved by understanding the motivation theories and implementing them effectively to achieve optimal results for the organisation. Thus it can be said that effective implementation of the motivation theories can help the organisations' to have a competitive edge and it can serve to be a source of sustainable competitive advantage which would ensure its growth, survival and maximised revenue generation in the long run. Thus, it can be concluded for managers' to perform efficiently it is imperative for them to have knowledge of the motivation theories. Formal strategic planning calls for the Analysis of key strategic factors, shortlisting the really major strategic issues and the generation of Alternative strategies.

First, an attempt should be made to provide comprehensive strategies; that is, the plan should consider all the truly important factors - the strategic elephants. Secondly the strategies should not exhaust all available resources. Something should be held in reserve. This recognizes uncertainty and adds flexibility to the plan. Alternative strategies can improve the Adaptability of the organization in two ways.

First, by explicitly examining Alternatives, it is likely that the organization will find Alternatives that are superior to the current approach. Second, the organization will encounter environmental changes; if Alternative, contingency, plans have been considered for these changes, the organization can respond more effectively.

Processes of finding all the relevant significant strategic factors will be covered on other pages about SWOT analysis, and methods for generating the Alternative strategies will be under Business Strategy, for companies, or nonprofit strategy making for other kinds of organization. It is all too easy to go with the bright ideas that emerge from brainstorming strategic alternatives. Effective formal planning uses systematic methods for evaluating the various alternatives. Evaluate to ensure that they do not violate any constraints. Rate the strategic options against the objectives. Ensure that all major strategic issues are addressed.

Then you are in a position to Design a set of strategies, based on a few key Decisions. With this done you can proceed with some confidence to get approval from the governing body, and convert the strategic intentions into specific work assignments corrective action, the monitoring Having planned the work of implementing or Executing the strategic plan, you need a system in place for working the plans as they get implemented. The plan should provide for formal reporting at agreed intervals. To allow for system should address the same objectives and factors determined as significant through the planning process. Too often there is a disconnect between the plan and how it is managed into reality for individual managers, prepare budgets and project plans, and generally prepare to implement the

strategic plans. The strategic planning process and tools, such as SWOT analysis, offered here will help you - directors, owners, and managers - to find the elephants in your organization!

At simply strategic planning.com we provide advice on how to prepare and implement practical plans to address the elephant sized strategic issues over the next few years. These approaches, with their value-based management focus, will ensure that your business or non-profit organization (NPO) will have long run superior performance, and your organization will also be at less risk of failure. Wherever you are in the world, if you are keen to plan, develop, and manage a growing, thriving organization, you've come to the right place to learn about strategic planning, and the strategic planning process. Many organizations struggle to meet the challenges of optimizing performance.

How should they measure performance? What should they measure? And how can leaders ensure that communication channels throughout the organization are open? Too often, organizations will put in place measurement systems and structures that deliver the opposite of what they expected. There is a common saying in business, "What gets measured gets done." Organizations that successfully manage their performance measures achieve superior results. That being said, less is more when it comes to Performance Management. Organizations that overcomplicate their performance measures and performance appraisals tend not to achieve their goals.

You don't have to measure everything; keep to the essentials and keep in mind that measures must be defined for each level of performance accountability. For example,

a CEO and the executive leadership team may be ultimately accountable for a strategic measure like “customer satisfaction index,” while an operations manager and his or her team of field supervisors can only be held accountable for a customer satisfaction rating from the feedback of the customers they service and the processes they manage. What ultimately defines success for the top-level index will be the collection of data from staff engaged in customer interaction at each level of accountability.

The activities and methodology required to systematically define, deploy and link measures throughout an entire organization need to be well timed and carefully orchestrated. Senior executives, managers at all levels, technology support and front-line employees are all involved. When it comes to measuring, performance outcomes are more important measures of work than output. Outcomes are benefits or changes that result from the work being performed. Put simply, it is work performed that makes a difference to the organization and is in keeping with achieving strategic organizational and/or departmental objectives. Way to ensure that performance measurement is measuring the RIGHT things is for management to create a “desired results/outcomes” mission statement and then engage staff in determining how efforts match up against these objectives. These should be included in the performance evaluation and performance review.

While dividing organizations into departments may have some advantages, it can also be highly divisive and can prevent organizations from realizing performance synergies and collaboration. This is evident when directors, departments, managers, teams or staff may be high performers individually, but fail to choreograph their

activities to create peak performance for the organization. This symptom is so widespread that it is often accepted as an inevitable problem within all organizations. Except that it is not inevitable. Some pervasive drivers of siloed thinking are competition among functional and structural groups over resources such as money, budget, credit, equipment and workforce.

To reduce the impact of "siloed thinking" it is important to allow data and information to flow across the organization and reduce competition for resources through prioritization of initiatives in accordance with the organization's strategic direction and planning. But when cross-functional problems occur, it is important to make efforts to successfully tackle them though collaborative problem solving. Put simply, nothing drives people back into their silos more quickly and effectively than unresolved problems, and conversely, nothing brings people out of their silos more quickly and effectively than tackling problems together. Organizations, concerned with maintaining and increasing their profits, shareholder value, customer satisfaction rates and employee morale often unknowingly place, impediments in front of employees, which make these goals more difficult.

There is an opportunity for leaders to understand these basic challenges so that they can overcome them and realize the opportunities they'll deliver. There are certainly other opportunities for leaders but we wanted to present you with some clear, concise yet highly impact opportunities that you can implement immediately. Organizational innovation has been viewed as an essential weapon for organizations to compete in this competitive business environment. Particularly, Malaysia manufacturing firms strive to transform their business model from labor-intensive to knowledge-intensive,

which aim to immerse themselves in higher value added activities such as, developing new products, processes, and services, to continual sustain the competitiveness within the rivalries. One of the ways to heighten the organizational innovation is through effective human resource management (HRM) practices and effective knowledge management. This study examined the direct relationships between HRM practices (performance appraisal, career management, training, reward system, and recruitment) and organizational innovation (product innovation, process innovation, and administrative innovation).

Additionally, it also examined the mediating role of KM effectiveness on the direct relationship. Data was drawn from a sample of 171 large manufacturing firms in Malaysia. The regression results showed that HRM practices generally have a positive effect on organizational innovation. Specifically, the findings indicate that training was positively related to three dimensions of organizational innovation (product innovation, process innovation, and administrative innovation).

Performance appraisal also found to have a positive effect on administrative innovation. Additionally, this study also demonstrates that training and performance appraisal, are positively related to knowledge management effectiveness. Knowledge management effectiveness fully mediates the relationship between training and process innovation, training and administrative innovation, and performance appraisal and administrative innovation. A discussion of the findings, limitations, and implications are provided.

The rapid development of high technology, information and communications technologies have urged many organizations to actively seek for new way, ideas,

experimentation, and creative solutions in improving their current product, process, system and technology, which commonly referred as organizational innovation. Malaysia as one of the post-industrial societies has undergone a fierce competition within its rivalries. To survive in the battle, Malaysia has launched its new economy model, which aims in transforming the manufacturing firms from the product based towards the knowledge based. Aligned with this move, understanding the fundamental drivers influencing an organization's ability to innovate successful new products, idea, practices and system is a key strategic task for firms to continue to exist in this dynamic market. It has been widely acknowledged that effective human management resource (HRM) practices (Damampour & Gopalakrishnan, 1998; Tan & Nasurdin, 2010) are significant in extracting positive work behaviours among employees, which consecutively lead to organizational innovation.

According to Harter, Schmidt, and Hayes (2002), HRM practices can generate increased knowledge, motivation, synergy, and commitment of a firm's employees, resulting in a source of sustained competitive advantage for the firm. However, a number of authors, such as Hilsop (2003), Morrow and McElroy (2001), and Moynihan, Gardner, Park, and Wright (2001) have argued on the missing link between HRM practices and organization outcomes. The author argued the more research needs to concentrate on the indirect relationship between HRM practices and organizational innovation. Since knowledge is reside in an individual and given the role of HRM practices in influencing an individual's attitude and behaviours, it is believed that HRM practices has significant and positive relationship on organizational innovation via knowledge management.

Unlike developed nations particularly in the United States of America and European nations, studies on innovation in Malaysia are still under researched (Ismail, 2005; Wan Jusoh, 2000). In its efforts to become a knowledge-based economy, Malaysia has emphasized on the importance of innovation in all sectors of its economy (Ministry of Science, Technology and Innovation, Malaysia (MOSTI), 2006). Given the importance of innovation to a firm's competitive position, several studies have tried to investigate the relevant predecessors of innovation, such as individual factors (Damanpour, 1991; Kimberly & Evanisko, 1981), environmental factors (Damanpour, Szabat, & Evan. 1989; Miller & Friesen, 1982), and organizational structure (Damanpour, 1991; Thompson, 1965).

However, there is still unexplored research area about particular organizational practices that may influence the organizational innovation. According to Tan and Nasurdin (2010), an organization’s approach of HRM practices has an influential effect on organizational innovation. HRM practices set the tone and condition of the employer-employee relationship, which can encourage the employees to become more innovative (Rousseau & Greller, 1994). If HRM practices properly realigned, it can play a vital role in contributing to the management of organizational knowledge, and innovation will be realized through the ability to use the knowledge to identify and pursue the opportunity.

This postulates that knowledge management effectiveness allowing employees to generate knowledge within their sphere of influence, and extent as of shared knowledge influences the organizational innovation (Dobni, 2006). Against this backdrop, the goal of this study was to examine the role of knowledge management

effectiveness mediating the relationship between HRM practices (performance appraisal, career management, training, reward system, recruitment) and organizational innovation (product innovation, process innovation and administrative innovation) within the Malaysian manufacturing industry. Organizational innovation has been widely defined as the creation of new idea and new behaviour to the organization (Damanpour & Gopalakrishnan, 2001).

The dimensions of organizational innovation are extremely complex and multiple; it can be reviewed from two aspects: (1) breadth of innovation, which includes policies, system, administrative, processes, products, services, and others; (2) depth of innovation, which includes the importance, the degree of influence, effect on long term profitability, and others (Chuang, 2005). Fundamentally, there are two distinctive types of organizational innovation have been classified in most literature, namely technological innovation, and administrative innovation (i.e. Chuang, 2005; Damanpour & Evan, 1984; Damanpour et al., 1989; Tan & Nasurdin, 2010). Chuang (2005) has further categorized technological innovation into secondary dimensions: product innovation and process innovation; while administrative innovation remains distinct from the other two.

Under Mavondo, Chimhanzi and Stewart's (2003) study, organizational innovation was distinctively classified into three dimensions, namely: product innovation, process innovation and administrative innovation. The present study divided organizational innovation into the main dimensions of product innovation, process innovation and administrative innovation based on the most prevalent types that have been discussed in the previous literatures (i.e. Chuang, 2005; Damanpour, 1991;

Damanpour & Evan, 1984; Damanpour et al., 1989; Mavondo et al., 2003; Tan & Nasurdin, 2010). Product innovation, process innovation and administrative innovation are the important predecessors for manufacturing firms and have the equal capability to improve performance or effectiveness, solve problems, add value, and create competitive advantage (Cooper, 1998; Damanpour, 1996).

Given the importance of product innovation, process innovation and administrative innovation in enhancing manufacturing firm performance, therefore, the organizational innovation is operationalized to be multidimensional comprising of these three types of organizational innovation. Product innovation is defined as the development and commercialization of new product to create value and meet the needs of the external user or the needs of the market (Damanpour & Gopalakrishnan, 2001). Product innovation is a systematic work process which drawing upon existing knowledge gained from research and practical experiences directed towards the production of new materials, products and devices, including prototypes.

On the other hand, process innovation is viewed as a creation of new process or improvement to existing process (Leonard & Waldman, 2007). Process innovation involves the implementation of a new significantly improved production or delivery method, which includes changes in techniques, equipment and/or software (Bi, Sun, Zheng & Li, 2006). Administrative innovation is viewed as performance derived from the changes to organizational structure and administrative process, reward and information system, and it encompasses basic work activities within the organization which is directly related to management (Chew, 2000; Damanpour & Evan, 1984).

Administrative innovation requires organizations to have verifiable routines and procedures in place for product design, manufacture, delivery, service and support (Brunsson, Jacobsson, Ahrne, Furnsten, Garsten, Hennin, Sahlin-Andersson & Hallström, 2000). Since manufacturing firms operate in the highly complex environment on the basis of internal operations efficiency and effectiveness, product innovation, process innovation and administrative innovation can be considered as the pivotal sources of competitive advantage. As the world is becoming more competitive and unstable than ever before, manufacturing-based industries are seeking to gain competitive advantage at all cost and are turning to more innovative sources through HRM practices (Sparrow, Schuler, & Jackson, 1994).

HRM practices have been defined in several aspects. Schuler and Jackson (1987) defined HRM practices as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and its members. Besides, HRM practices is also conceptualized as a set of internally consistent policies and practices designed and implemented to ensure that a firm's human capital contribute to the achievement of its business objectives (Delery & Doty, 1996). Likewise, 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 advantage. Against this backdrop, we concluded 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 functioning and survival of the organization.

Among the main approaches to develop HRM: ―universal‖ or ―best practice‖ approach (Huselid, 1995); strategic HRM practices approach (Delery & Doty, 1996); contingency approach (Dyer, 1985; Schuler, 1989); and configuration approach (Wright & McMahan, 1992), previous studies revealed that HRM practices, which were related to organizational innovation, mainly focused on ―universal‖ or ―best practice‖ approach. A review of the literature demonstrates five common practices that have been consistently associated with innovation, encompassing performance appraisal, career management, reward system, training, and recruitment (Gupta & Singhal, 1993; Jiménez-Jiménez & Sanz-Valle, 2005; Kydd & Oppenheim, 1990; Laursen & Foss, 2003; Shipton, Fay, West, Patterson & Birdi, 2005).

The learning process occurred to improve the stock of knowledge available to the organization and to amplify the value of its intellectual assets, such as innovation capital when knowledge is acquired and applied. If an organization demonstrates competence in knowledge management, it can be considered as having a knowledge management-orientation (Darroch & McNaughton, 2002). Knowledge management has been broadly defined from many perspectives. Wiid (1997) viewed as a set of activities that lead an organization in acquiring knowledge both internally and externally.

According to Salisbury (2003), knowledge management is defined as the deployment of a comprehensive system that enhances the growth of an organization’s knowledge. In an effort to expand the knowledge management discipline, knowledge management can be defined as the management functions that encompass the creation of knowledge, management of the flow of knowledge within the

organization, and usage of knowledge in an effective and efficient manner for the long-term benefit of the organization (Darroch & McNaughton, 2001). Hence, knowledge management effectiveness is regarded as a management discipline which focused on the development and usage of knowledge to support the achievement of strategic business objectives.

Knowledge management effectiveness can be analyzed from a process perspective (Gold, Malhotra & Segars, 2001; Zheng, 2005). In general, knowledge management effectiveness can be conceived as the effectiveness of an organization in managing the knowledge acquired, shared, and applied by its employees. In summary, knowledge management effectiveness is conceived as a process to enhance knowledge application to achieve organizational innovation for improving business performance. Organizations that effectively manage their knowledge within organization will have higher organization innovation in turn to achieve breakthrough competitive advantage.

According to Wang (2005), innovative firms treat HRM practices as the organization's strategy to encourage team responsibilities, enhance organizational culture, and build up customer relationships through participation and empowerment. In turn, it will help to create and market new products and services (Gupta & Singhal, 1993). When firms develop and introduce new product, new process and/or new administrative practices, they require innovative and creative employees, who are flexible, risk taking, and tolerant of uncertainty and ambiguity (Chen & Huang, 2007). These employees are highly recognized in manufacturing industries as they contribute to firm on the basis of market responsiveness, product and process

innovation. Therefore, it is important for a firm to implement supportive HRM practices that can motivate and stimulate employees to be innovative. On the basis of arguments put forth by previous scholars (i.e. Gupta & Singhal, 1993; Jiménez-Jiménez & Sanz-Valle, 2005; Kydd & Oppeneheim, 1990; Laursen & Foss 2003; Shipton et al., 2005), we would expect HRM practices to be positively related to organizational innovation.

For instance, performance appraisal increase employee commitment and satisfaction since employees are given chance to discuss about their work performance. This, in turn, will lead them to perform greater in innovative activities. In a similar vein, career management assist employees to attain their career goals and objectives. If employees are likely to feel satisfied with their career management, which in turn, lead to motivate them to perform in innovative activities (Delery & Doty, 1996).

Training helps employee master knowledge, skill, and ability which would be contribute to innovation in terms of products, production processes, and management practices in daily operation (Schuler & Jackson, 1987). Hence, training develops the knowledge, skill, and ability of employees to perform effectively in their job that will lead to higher organizational innovation. Reward system provides financial reward, promotion and other recognition, in order to motivate employees to take risk, develop successful new products and generate newer ideas (Guptal & Singhal, 1993).

Reward system encourages employee to become motivated, thereby increase their participation in contributing innovation ideas, which leading to high organizational innovation. Recruitment involves employing and obtaining appropriate and

competent candidates through external sourcing (Sparrow, Schuler & Jaclson, 1994). Recruitment gives greater importance to be attached to fit between person and company culture. Hence, the high level of implementation of recruitment that attaches individual – organizational fit is likely to result in high organizational innovation. A number of scholars, such as Hilsop (2003), Morrow and McElroy (2001), and Moynihan et al. (2001) have argued on the missing link between HRM practices and organization outcomes. The missing link between HRM practices and organization outcomes illustrate the existence of a ―black box‖. The ―black box‖ model indicated that there is an unknown apparatus which is apparently invisible in increasing organizational innovation (Marinova & Phillimore, 2003). Knowledge management is recognized as the fundamental activity for obtaining, growing and sustaining intellectual capital in organizations (Marr & Schiuma, 2001). Knowledge management is not only served as predecessor to organizational innovation, but also an intervening mechanism between organizational factors and organizational outcomes. Previous studies have examined the role of knowledge management as a mediator.

For instance, Tung's (2004) study evidenced that knowledge management mediates the relationship between an organization's culture and structure, and organizational effectiveness. Rashid Alshekaili's (2011) study reveals that knowledge management mediates the relationship between human capital and innovation performance. Since HRM practices are assumed to be a managerial process that allows firms to manage effectively so as to improve the organizational innovation. The relationship between organizational climate and organizational performance is tested for a large

multinational company. Besides, I tested what influence management support and organizational unit size have on organizational climate perception. In total, 30.892 employees among 49 operating companies participated in the study. Regression analyses showed that there is a significant relation between organizational climate and profitability, sustainability & growth, EBIT margin, productivity and employee engagement.

No relation between organizational climate and employee turnover was identified. Besides, I did not found evidence that the relation between organizational climate and profitability, sustainability & growth, EBIT margin and productivity is mediated by employee engagement. Furthermore, it was found that organizational climate is strongly influenced by management support, and that the relation between organizational unit size and organizational climate is mediated by management support. These results contribute to the literature on organizational climate and performance. Besides, these results are of great value to the business world, as managerial. Companies nowadays are more and more active in turbulent competitive environments, in which it has become easier to imitate products, and it is necessary to adapt to changes fast. To survive within these competitive environments, it is very important to generate sustainable competitive advantages.

Contrary to the industry-based strategic management perspective, which focuses on the external environment of a company, the resource based strategic management perspective has a focus on the internal environment of the company. In the resource based view of the firm, traditional sources of competitive advantages, like natural resources and technology, are no longer sufficient; companies can only develop

sustained competitive advantage by building unique competencies (firm-wide capabilities). Embracing this view on strategy, human resource strategies may be an important source of sustained competitive advantage (Lado & Wilson, 1994). The human resource value creation process is complex, making it a valuable, rare, inimitable, and non-substitutable source of competitive advantage (Barney, 1991).

Several studies examined the relationship between human resource management and organizational performance (e.g. Becker & Gerhart, 1996; Huselid, 1995; Arthur, 1994). The common thought of these studies is that human resource practices affect organizational performance. These studies focus on the type of human resource practices, rather than on how these human resources organizational members perceive practices. Wright and Nishii (2010), however, developed a model in which they state that intended human resource (HR) practices of management are different from the perceived HR practices by employees, and that these perceived HR practices have greater predictive value for organizational performance than the intended HR practices.

According to Bowen and Ostroff (2004) organizational climate is the shared perception of what the organization is like in terms of practices, policies, procedures, routines and rewards, based on shared perceptions of organizational members. Practices and policies, procedures, and rewards are integrated aspects of the human resource management practices of an organization. Organizational climate, thus, can be seen as a representation of the perception of these human resource practices, making organizational climate of more predictive value for organizational performance than only human resource practices themselves. In this thesis, therefore,

I consider organizational climate as the predictor for organizational outcomes. Several authors have found links between organizational climate and organizational performance.

However, most of these studies only consider single aspects of organizational climate and outcomes related to these aspects, for example, the relation between innovation climate and creativity (Pirola-Merlo & Mann, 2004). However, to get insights in how the overall configuration of organizational climate is related to overall performance of a company, additional research is required.

In this research project, organizational climate survey results of a large multinational company have been used to test the relation between organizational climate and performance. Management plays an important role on the organizational climate perceptions of organizational members, as they are responsible for the implementation of the human resource practices. Therefore, I will also investigate the role management plays on organizational climate by examining how management support perception of employees is related to their organizational climate perception.

There is some evidence that small organizations have a more positive organizational climate than large organizations (Payne & Mansfield, 1974), however, how organizational unit size affects organizational climate is less clear. Therefore, I will further investigate this relation by proposing management support as mediator in the relation between organizational unit size and organizational climate. This research project is valuable to the scientific community, because it further provides empirical support on the relationship between organizational climate and performance.

Besides, it also provides valuable insights on the antecedents of organizational climate, a topic on which little information is yet available. This study is also valuable to the business world, as a number of managerial implications are discussed on how to create an organizational climate that leads to high performance. In literature, organizational climate is conceptualized across different levels of analysis: individual, work, and organization. In this thesis, I consider organizational climate as a construct that belongs to a group of people (organization), rather than considering it as something that is assigned to an individual person. Using this approach makes it possible to compare organizational climate with organizational outcomes (instead of individual outcomes).

As each organization has its own specific organizational climate and organizational outcomes, different organizations can be compared to each other. Organizational climate and organizational culture are closely related, but are certainly not the same. Both deal with how individuals try to make sense of their environments, and are learned through interaction among persons belonging to a certain group (Kuenzi & Schminke, 2009).

However, fundamental differences between these two phenomena exist. After an extensive research on both climate and culture literature, Denison (1996) identified several differences between organizational climate and culture. According to him, organizational culture refers to the underlying structure of an organization, embedded in the values, beliefs, and assumptions of organizational members. Organizational climate, on the other hand, is reflected in practices and procedures that are observable at the surface of the organization. Organizational climate is

emphasized to be temporary, subject to direct control, and limited to aspects that are consciously perceived by members of an organization.

From a managerial point of view, therefore, organizational climate is a very interesting phenomenon. It can be influenced relatively easily, and changes in organizational climate can be observed on a short time span. Organizational success is largely dependent on the quality and effort of the people that work for the organization. Flexible, productive and knowledgeable people within an organization are a source of (sustainable) competitive advantage for companies. Top managers increasingly acknowledge that the people within the organization make the difference by creating value for the organization (Verburg & Den Hartog, 2006).

Human resource management concerns the management of people within organizations. Regardless of the type of organization, all firms need to manage their workforce using appropriate policies and practices. Policies and practices need to be coordinated with each other, as well as with the needs of the organization. The latter is also known as strategic human resource management, and is based upon the recognition that organizations can be more effective if they manage their human resources in such a way that they deliver the right number of people with the appropriate behaviors, the necessary competencies, and the right levels of motivation to the organization (Schuler & Jackson, 2007).

Human resource management involves the use of several policies and practices. Human resource practices can be summarized into three specific groups: entry, performance, and exit practices (Verburg & Den Hartog, 2006). Entry practices

include practices that are aimed at the recruitment and selection of new employees, performance practices at managing and developing employee performance, and exit practices at managing the exit of employees.

Top and line management play a central role in human resource management (Verburg & Den Hartog, 2006). Top management uses human resource management as an integrated part of their business strategy, translated in a human resource management strategy. Line management, on the other hand, is responsible for managing the employment relations. Human resource professionals have an important advisory role to line management supporting the management and helping to develop and distribute human resource policies and practices. Line managers, however, recruit new employees, do the performance appraisal, and are responsible for the development of the core employees, making them the actual practitioners of human resource management.

Ideally, the HR strategy top management has in mind is transferred exactly as intended to the lower employee levels, however, this is often not the case. Wright and Nishii (2010) developed a model to represent the HR practices implementation process by making a distinction between intended HR practices, actual HR practices and perceived HR practices. The intended HR practices are the outcomes of the HR strategy developed by top management and intend to achieve employee reactions that are necessary for organizational success. Middle management implements the intended HR practices. Often, the intended practices are implemented in a different way as intended by top management or they are not implemented at all. The practices that are actually implemented by middle management are the actual HR practices.

Actual HR practices are interpreted and perceived by employees, resulting in perceived HR practices. Thus, top management is responsible for establishing the HR strategy of the organization, while middle management interprets and distributes the HR strategy among the organizational members. Several studies examined the relationship between human resource management and organizational performance (e.g. Becker & Gerhart 1996; Huselid, 1995; Arthur, 1994). The common thought of these studies is that HR practices affect organizational performance. However, choosing the type of human resource practices is only part of the total human resource management process.

According to Wright and Nishii (2010), not the human resource practices as intended by management will be determinative for organizational outcomes, but the human resource practices as perceived by organizational members. This is confirmed by Den Hartog, Boon and Verburg (2009) who found that perceived human resource management mediates the relation between actual human resource management (what is implemented) and performance. Thus, actual human resource management influences perceived human resource management, and perceived HRM affects performance.

According to the organizational climate definition of Bowen and Ostroff (2004), organizational climate is ‘a shared perception of what the organization is in terms of practices, policies, procedures, routines and rewards’. Practices and policies, procedures, and rewards are integrated aspects of the human resource management practices of the organization. Organizational climate, thus, is a representation of the employee perception of these practices. This idea is supported by Rogg, Schmidt,

Shull and Schmitt (2001) and Gelade and Ivery (2003) who found the relationship between human resource practices and organizational outcomes is mediated by organizational climate. Thus, rather than a direct relation between human resource practices, their results indicate that human resource practices influence organizational climate, and that organizational climate influences performance.

Management plays a crucial role on employee's perception of organizational climate, as management is responsible for implementing the human resource practices. Thus, management can create a desired organizational climate using specific human resource practices, but employee perception of these practices is crucial for realizing the organizational climate as intended. Therefore, I consider organizational climate as predictor for organizational performance, rather than the human resource practice themselves. Several researchers have studied (and proved) the relation between organizational climate and organizational performance. In the following part, I will give an overview of the available studies, and I will discuss the differences between these studies in terms of climate approach and type of outcomes.

A large group of studies only considers certain aspects of organizational climate and outcomes that are related to these aspects. For example, the relation between service climate and customer satisfaction (Johnson, 1996; Dietz, Pugh & Wiley, 2004), the relation between safety climate and safety outcomes (Hofmann & Mark, 2006; Wallace & Chen, 2006), the relation between risk taking climate and knowledge creation in the unit (Smith, Collins, & Clark, 2005), and the relation between innovation climate and creativity (Pirola-Merlo & Mann, 2004).

Others have studied the relation between certain aspects of organizational climate and more global company outcomes. For example, Baer and Frese (2003) studied the relation between climates for initiative and psychological safety, and company performance, at 47 mid-sized German companies. Their results showed that climates for initiative and psychological safety are positively related to two measures of firm performance: return on assets and firm goal achievement. Borucki and Burke (1999) did a large research project among more than 30.000 employees at 594 stores of a large US retail company. Their results indicated a positive relation between service climate, personnel service performance, and store financial performance.

Studies on the relation between global climate (a broad range of climate aspects) and global performance outcomes are limited. Patterson, Warr and West (2004) did a study on the mediating effect of job satisfaction on the relationship between global organizational climate and productivity at 39 manufacturing companies containing 4503 employees in total. They found a positive significance correlation between 5 of the 17 climate dimensions and company productivity. Another global climate study has been performed by Gelade and Ivery (2003).

In their study, conducted at the branch network of a retail bank among 14.390 employees, they found global climate to be positively related to sales against target, staff retention, clerical accuracy, customer satisfaction, and overall performance (combination of previous indicators). In this thesis, I conceptualize organizational climate as a global construct, covering a broad range of climate aspects: innovation, responsibility, standards, rewards, and clarity. This provides a good representation of the organizational climate within a company, and gives detailed information on how

specific climate aspects are related to company performance (and each other). Having this representation of organizational climate will make it possible to implement actions that improve specific climate aspects and global climate in the most effective way (i.e. improvement in climate aspects of innovation would be more effective than improvements in aspects of rewards, when innovation aspects are stronger related to company performance then rewards aspects are).

Furthermore, I use global performance indicators that are crucial for business success. Relatively few are known on the underlying mechanisms that explain the relation between organizational climate and these performance indicators. Patterson et al. (2004) suggest employee affect as mediator between organizational climate and company performance, and found that the relation between organizational climate and company performance is mediated by job satisfaction. Although they highlight employee affect as mediator between organizational climate and organizational performance, they do not explain why employee affect mediates the relation between organizational climate and organizational performance.

The relation between organizational climate and organizational performance can be explained using the Social Exchange Theory. This theory is based upon the assumption that social exchanges involve several actions that create obligations, and that relationships evolve over time into trusting, loyal, and mutual commitments (Cropanzano & Mitchell, 2005). These relationships can exist among two or several persons, but also among persons and organizations. Reciprocity or repayment is the most common exchange rule; the action of one party initiates a response of the other party that wants to ‘repay’ this action. Employers can reward employees in two

different ways using economic and socio-emotional resources. Economic resources are tangible and often are financial rewards, socio-emotional resources are intangible and address the social needs of employees. Employing these resources, employers can create strong relationships with their employees, as employees have the tendency to repay these rewards with ‘better’ work behavior and positive employee attitudes (Cropanzano & Mitchell, 2005).

Organizational climate is part of these socio-emotional and economic resources. Thus, when employers establish an organizational climate that is perceived as positive by their employees, this will result in better organizational performance and higher levels of commitment, motivation and job-satisfaction. Employee engagement, which is an umbrella term for aspects of organizational commitment, job satisfaction and job involvement, therefore, will also be affected positively by organizational climate.

Macey and Schneider (2008) propose that high states of employee engagement lead to discretionary effort of employees. Discretionary effort on its turn will lead to better organizational performance (Corporate Leadership Council, 2004). Thus, organizational climate does not only seem to have a direct influence on financial and operational performance, but also indirectly via employee engagement. Employee engagement both refers to psychological states and behaviors, as well as their antecedents.

Engagement as a psychological state represents some form of absorption, attachment, and enthusiasm to the work and organization (Macey & Schneider, 2008), and is

often an umbrella term for aspects of organizational commitment, job satisfaction and job involvement. Behavioral aspects of engagement are often referred to as discretionary effort: ‘’Employee willingness to go “above and beyond” the call of duty, such as helping others with heavy workloads, volunteering for additional duties, and looking for ways to perform the job more effectively’’ (Corporate Leadership Council, 2004). Antecedents concern aspects that lead to the psychological states and behaviors of employee engagement, which often include aspects very similar to organizational climate.

For example, Towers Perrin (2005) measured employee engagement by measuring rational and emotional engagement. Rational engagement includes both behavioral aspects (i.e. discretionary effort), and aspects of what I would refer to as organizational climate (i.e. the extent to which employees understand their role, and their unit’s role, relative to the company objectives), while emotional engagement includes psychological state aspects (e.g. pride, commitment, (job-) satisfaction). Harter, Hayes and Schmidt (2002) refer to employee engagement as ‘the individual employees involvement and satisfaction with as well as enthusiasm for work’’ (pp.269).

They measure employee engagement using the Gallup Workplace Audit (GWA), which is composed of 1 overall satisfaction item and 12 items that measure employee perceptions of work characteristics. The 12 items include several items that are rather antecedents of employee engagement than measures for psychological state and behavioral aspects of engagement, and are highly similar to measures for organizational climate. According to the model of Wright and Nishii (2010) top

management is responsible for creating the HR strategy, while middle managers are responsible for implementing the HR practices. This gives them (especially top management) a principal impact on organizational climate. As a consequence of this, their climate perceptions will be more positive than non-management's climate perception. Evidence for differences in climate perceptions among employee levels is found in the studies of Payne and Mansfield (1973) and Patterson et al. (2004).

Payne and Mansfield (1973) studied the effect of hierarchical level on organizational climate perception and found that persons higher in the organization tend to have a more positive climate perception than lower hierarchical levels. In their study, they collected data in 14 different work organizations ranging in size from 262 employees to 4580 employees. However, not all of the employees were questioned in their study, their results were only based on a sample of 387 employees in total. Patterson et al. (2004) studied the relation between organizational climate of management and non-management in 42 manufacturing companies ranging in size from 70 to 1150 employees. Their results indicate that management perceives climate more positive than non-management.

In this thesis, I investigate climate perception of three employee levels: top-management, middle management and non-management. Non-management consists of people performing the basic work of producing the products and delivering services, top management includes managers overseeing the whole organization, while middle management is a hierarchical line between non-management and top management: managers of non-managers and managers of managers. The studies mentioned before do not make a distinction between middle management and top-

management. Results from top management, however, are very interesting, as they are responsible for establishing the human resource strategy. Therefore, it is plausible to assume that their results will give an indication of the organizational climate that is desired within an organization.

A substantial body of theoretical literature argues that human resources (HR) play an important role in creation of a competitive advantage within firms, and that the use of contemporary or progressive human resource management practices is crucial for selecting, developing, motivating and retaining requisite human capital (Butler, Ferris, and Napier, 1991; Jones & Wright, 1992; Kleiner, 1990; USDOL, 1993). Interestingly, the burgeoning interest in SHRM has not been matched by the development of appropriate theoretical constructs for the concept (Guest, 1997).

Indeed, researchers have criticized the underpinning theoretical foundations of SHRM and many have called for the formulation of a theory of SHRM (Dyer, 1985). Two major reasons account for this criticism. The first is that the concept of HRM, from which SHRM originated, has itself been subjected to extensive criticisms for its poor theoretical framework (Legge, 1994). In an extensive review of the literature, Delery and Doty (1996) identify three categories of researchers and the perspectives that they have adopted in theorizing SHRM. They tag the first group of researchers `universalists' largely because of their interest in identifying `best practice' SHRM policies.

Delery and Doty (1996) note that ``these researchers put an emphasis that some human resource practices are always better than others and that all organizations

should adopt these best practices." It is within this perspective of theorizing in SHRM that the present interest in developing `high performance work practices' is located (Osterman, 1994). Thus, the assumption is that the adoption of certain SHRM policies is likely to result in increased organizational performance (Kochan and Dyer, 1993).

The second strand of theorizing identified by Delery and Doty (1996) comprises those researchers adopting a contingency approach. In keeping with the early foundation of the contingency perspective within organizational theory, these researchers argue that the success of HRM policies is contingent upon the achievement of a match between human resource policies and other aspects of the organization. For example, researchers adopting this perspective have demonstrated that different human resource policies may be required at different stages in an organization's life cycle (Bird and Beecher, 1995).

Delery and Doty (1996) identified a third group of SHRM theorists as adopting a `configurational' approach. Delery and Doty (1996) noted that this approach is more complex and consists of researchers who seek to `` identify configurations, or unique patterns of factors, that are posited to be maximally effective." This category of researchers are also said to approach their subject from a more theoretical perspective and many of the phenomena they identify may not necessarily be empirically observable (Doty and Glick, 1994). A consistent theme in all three theoretical perspectives of SHRM is the assumption that SHRM is linked to organizational performance. However, while the literature is rich with claims that

both HRM and SHRM are linked to performance, there is little empirical evaluation of this and the theoretical foundations upon which these links are based have been described as inadequate (Guest, 1997).

2.3 Empirical Literature Review

2.3.1 Contribution of Human Resource Planning n Organizational Performance

Recent empirical research supports; finding that the adoptions of the systems of high performance work practices can lead substantially enhance firm performance (Arthur, in Press; Delaney, In Press; Huselid, 1994; Ichiniowski, Shaw, & Prennushi, 1993; McDuffie, 1993). The observation is that the effective HRP in particular organization will enhance the creation of competitive advantage in production of goods and market share, leading to high performance of the organization

Achievement is what an employee orders not does. Employee's achievements common to most jobs include the following elements; quantity of output, quality of output, timeliness of output present at work cooperativeness. Performance is multidimensional contract, the measurement of which varies depending on variety of factors (Bates & Holton, 1995). On individual basis, it is a record of person's accomplishment.

Kane (1996) argues that "performance is something that a person leaves behind and that appears apart from the aim." Bermadin et al (1995) are concerned that; performance should be defined as the outcome of work because they give a strong linkage to the strategic objective of the organization, customer satisfaction and

economic contributes" The Oxford Dictionary defines performance as the accomplishment, execution, carrying out, and working out ordered or undertaken.

Performance goals can be achieved with the help of high performance work system which take into account the factors affecting individual performance and promote flexibility. They also include aggressive recruitment and selection procedures, performance contingent incentives, compensation system and management development and training activities linked to the need of business (Armstrong, 2003). The observation is that performance is achieved from the back ground of aggressive recruitment and selection procedures, hence they should be linked to contingent incentives and the compensation system as a whole forecasting the future needs of human resources.

This refers to the output/outcome but also states that performance is about performing the work as well as bringing about the output achieved. Performance could therefore be regarded as behavior- the way on which organization terms, individual get work done. Campbell (1990) believes that: performance is behavior and should be distinguished from the results because they should be contemplated by system factors.

Within the last two decades, there has been a number of important contributions in the literature dealing with issues pertaining to the management of people. Significant attention has been directed towards human resource management (HRM), which many have seen as representing a distinct approach to managing people (Guest, 1997). Interestingly, although researchers have highlighted the holistic nature of

HRM, much of the initial research into the concept focused on a limited range of issues and has been criticized as `micro analytic' (Delery and Doty, 1996). However, in the last decade, researchers have sought to show the importance of HRM in influencing organizational performance and it is from this premise that the current interest in SHRM has developed (Cappelli and Crocker-Hefter, 1996).

Rapid environmental change, globalization, innovations to provide competitive products and services, changing customer and investor demands have become the standard backdrop for organizations. To compete effectively, firms must constantly improve their performance by reducing costs, enhancing quality, and differentiating their products and services.

To improve firm performance and create firm competitive advantage, HR must focus on a new set of priorities. These new priorities are more business and strategic oriented and less oriented towards traditional HR functions such as staffing, training, appraisal and compensation. Strategic priorities include team-based job designs, flexible workforces, quality improvement practices, employee empowerment and incentive compensation (Jing and Huang 2005). SHRM was designed to diagnose firm strategic needs and planned talent development which is required to implement a competitive strategy and achieve operational goals (Huselid et al., 1997).

2.3.2 Strengthening Human Resource Management Practice and Performance

Strategic Human Resource Management is the planned pattern of human resource deployment and activities intended to enable the organization to meet organizational goals and objectives (Noe et al. 2007). In other words, the definition of SHRM

represented by the degree of participation in core decision-making and partnership undertaken by HRM departments, and the specificity and formality that HRM departments require in planning and implementing, all of that, to ensure that firm human capital contributes to achieving firm business goals.

Also and perhaps more important reason, is that researchers have approached the field of SHRM from a variety of perspectives with little acknowledgement of the differences within them and no attempt has been made to identify the common threads in the perspectives (Delery and Doty, 1996). Such an understanding is important to enable an assessment of the viability and adoption of the concept. A brief discussion is proffered in what follows.

Accordingly, a better understanding of the role of the implementation of strategic human resources management in creating and sustaining organizational performance and competitive advantage should be achieved through further empirical evidence (Jing and Huang 2005).

2.3.3 Effects of Human Resource Management Practices on Organizational Performance

Lately, human resource management has emerged as an essential factor for sustained competitive advantage. Research highlights that organizations develop sustained competitive advantage through management of scarse and valuable resources (Barney, 1991).

The human resource enables organizations to achieve optimization of resource, effectiveness, and continuous improvement consistently (Wernerfelt, 1984). An

organization take time to nurture and develop human capital in the form of knowledge, skills, abilities, motivation, attitude, and interpersonal relationship, and makes it difficult for competitors to imitate (Becker & Gerhart, 1996). Pfeffer (1994) stressed that human resource has been vital for firm sustained performance.

In knowledge economy, the human resource has been recognized as a strategic tool, essential to organizational profitability and sustainability. This realization has led to the new role of human resource managers as strategic partners in formulation and implementing organizational strategy (Myloni et al., 2004). When seeking to improve the performance of an organization, it's very helpful to regularly conduct assessments of the current performance of the organization. Assessments might be planned, systematic and explicit (these often are the best kinds of assessments) or unplanned and implicit. Well-done assessments typically use tools, such as comprehensive questionnaires, SWOT analyses, diagnostic models (we often use these models without recognizing or referring to them as such), etc., along with comparison of results to various "best practices" or industry standards.

The following tools might be useful to you. Once you've conducted assessments of your organization, whether explicitly or implicitly, it helps to have some basis by which to analyze the results. Diagnostic models can provide that basis. There are differing opinions about diagnostic models. Some people suggest that these models should come without bias or suggested solutions, and should be used to accomplish an objective, unfolding understanding of organizations. Flexibility, user-specified fields, reports available, and whether the raw data are available to your organization to “slice and dice” in any way it wants to respond to its performance framework.

Organizations seeking to solve a performance problem frequently implement a specific intervention, such as training, without fully understanding the nature of the problem or determining whether or not the chosen intervention is likely to succeed. Just as often, professionals with a high level of expertise in a specific intervention area see every problem as an opportunity to ply their trade. As Abraham Maslow once said, “To the person who only has a hammer in the toolkit, every problem looks like a nail.”

In fact, there are a number of methods for improving the performance of organizations, teams and individuals. Organizational development, industrial engineering, training and development, quality assurance, and human resources development address performance gaps in particular ways. Performance Improvement differs from these approaches by using a systematic methodology to find the root causes of a performance problem and then implement an intervention (or “fix”) that applies to that specific performance deficit.

The PRIME II Performance Improvement Approach (PIA) is not a new intervention. Nor is it intended to replace other successful interventions or programs such as USAID’s Maximizing Access and Quality (MAQ) initiative, Engender Health’s Client-Oriented Provider-Efficient (COPE) services, Quality Assurance, Situation Analysis or Whole Site Training, one or more of which may already be in place when PI is implemented. Rather, the PI methodology offers a set of tools that can be used independently or in conjunction with other interventions to improve the accessibility and quality of FP/RH services.

Too often, FP/RH interventions have failed to build the capacity of organizations to sustain improved services or even to improve services at all. PI helps to ensure that selected interventions are supported and sustained by involving a stakeholder group from the outset and ensuring that an organization's staff participates actively in every step of the process. Successful organizations support their workers by instituting and sustaining these performance factors. This support can be provided by a supervisor or emanate from a variety of other sources. For example, feedback can come from clients and incentives from a peer group. But no matter the source of these performance factors, it is the responsibility of the organization to make sure that a system is in place to deliver them.

When a performance factor is missing and a gap in performance has occurred, a solution, or intervention, usually becomes clear. For example, if workers lack information about what is expected of them, obvious interventions would include implementation of written policies, job descriptions or verbal directions. The PI facilitator considers the entire human performance system by looking at the desired performance of workers and the organizations they work for.

This approach does not presuppose any particular type of intervention; rather, it allows the PI facilitator and the stakeholder group to choose appropriate interventions once the problem is clear. Often, the PI practitioner will not have expertise in a needed intervention but will call on other professionals for that expertise—for example, bringing in instructional designers if training is required. Before taking the first steps in the PI process, the facilitator must understand the institutional context within which performance improvement will take place. The

facilitator must be aware of the goals of the larger organization and maintain a consistent direction when defining performance targets. Familiarity with organizational goals—from the very top down to the level at which the main interventions will take place—helps to ensure the sustainability of the interventions. In a given project, for example, the facilitator and the stakeholders may need to know the goals of the ministry of health; the safe motherhood program and the post abortion care initiatives going on nationwide.

The stakeholder group creates verbal statements that define desired performance in specific, observable and measurable terms. These statements of desired performance address the quality, quantity and timeliness of performance (i.e., how well, how many, when?). The group then sets initial and final target levels of performance. This cooperative work to define desired performance is vital for building consensus among the stakeholders and achieving the desired outcome of the project. Once desired performance is described to everyone's satisfaction, current levels of performance are assessed using the same indicators developed to describe desired performance.

Typically, describing actual performance levels necessitates baseline data collection. (Even though the data will not be used until the root cause analysis stage, it is usually most efficient to gather information about the presence or absence of performance factors at the same time you gather the baseline data.) While the description of actual performance usually follows the definition of desired performance, in some cases the order may be reversed. Once the desired and actual levels of performance have been defined, identifying the performance gaps becomes a simple matter of comparing the

two levels. The gap should be described using the same indicators that were employed to describe desired and actual performance. The gap description shows, in objective terms, the difference between current performance and the performance the client wants to achieve. This stage usually involves prioritizing which performance gaps to address, as more than one will likely be identified. Discussions are also necessary to make sure the gaps that are identified are important enough and wide enough to merit further work.

Once performance gaps have been described, the next step is to determine the cause of those gaps. Using the performance factors as a starting point, the stakeholder group participates in a root cause analysis to uncover the environmental factors that are impeding good performance. Any of the proven root cause analysis techniques (e.g., fishbone diagram, why-why analysis) will serve here. In PI, the analysis that concludes with the finding of root causes is frequently called a “Performance Needs Assessment”. The stakeholder group next selects interventions that will address the root causes discovered during the previous stage. Each intervention or set of interventions must address at least one root cause.

During this stage, the team consults experts in each possible intervention area and plays a major role in designing and developing the selected interventions. Through monitoring and evaluation, the team measures the change in the performance gaps identified during gap analysis. Monitoring happens on an ongoing basis so that changes in implementation can be made as needed. Whenever possible, the team develops an evaluation method that can be integrated into workplace processes and remain in the workplace after the interventions as a feedback device for workers and

managers. The final evaluation should re-measure the performance gaps and assess the extent to which they have closed as a result of the interventions.

Numerous organizations are competing to survive in this ever increasing challenging and volatile market environment. Motivation and Performance of employees are powerful tools for the long-term success of the organization. Performance measurement is a critical characteristic of organization's management since it reflects the progress and achievement of the organization.

The purpose of this paper is to analyze the drives of employee motivation to high level of performances based on the research from several authors. Issue that causes employee dissatisfactions due to monotonous jobs and increase of pressure which comes from customers, may one way or the other weaken the organizational performance. Consequently, jobs absenteeism rates may increase and employees might even join competitors that offer better prospects and higher incentives.

The root of motivation to achieve the desired goal can vary from individual to individual. For instance one employee may be motivated in his work to earn higher commission, whereas another employee may be more interested for its satisfaction or the surrounding environment solely (Tietjen & Myers, 1998). The major factors of motivation are one's needs, rewards, wealth, determined goals, beliefs and dignity (Vroom, 1990). Moreover, failure, achievement or else liability may motivate employees to carry out forceful devotion to their work.

In order to avoid marginalization and sustaining its competitive advantage, organizations today are required to adapt to the latest technologies and globalization.

Economic, social, political and technological changes are the inevitable challenges that organizations are facing (Sydanmaanlakka, 2002; Ford, 2005). Since changes are taking place in the external business environment, it is mandatory for all organizations to adapt to the important changes that can be sources of motivation for competitive advantage. All changes have a direct motivation influence on the organization and people. So as to achieve its target, greater levels of skills, commitment and intelligence of employees are required and organization have to make a huge amount of investment.

However, due to various aspects such as distrust on employees, economic issues, investment of extra effort and greater levels of doubt and ambiguity, managers are averse to redesign the work place (Vroom, 1990). Nowadays, organizations are employing new technologies and downsizing the numbers of workers, outsourcing or employing temporary workers in order to save cost. This situation can trigger a negative impact on employee motivation since they feel that companies turn out to be less loyal and dependable to them (Boldman & Deal, 2003).

None of the labor contract mentions that workers are protected from stress, dullness, dissatisfaction or feeling powerless. One of the major concerns that employees expect is to work in a healthy and safety working environment. Organization and people are depending on each other to fulfill their desired expectations. Management priority is to detect and deliver a wide range of tactics that will satisfy and match both employees and organization core values (Vroom, 1990; Bacal, 2004).

Moreover, management must evaluate carefully employee suggestions scheme and take into account their suggestions with the aim of fulfilling their needs and skills.

People are motivated by diverse needs and desires, which include physiological needs, safety requirements and self-actualization (Vroom). Focusing on employees at every level of the workforce and each department in the organization will ease the improvement of work conditions, better understanding of employees concerns and needs and provide quick-fix solutions (Yeo, 2003).

Organizations are applying different approaches such as rewards, social recognition, team-based methods for the overall employee motivation and performance. In order to suit organization and employee needs, management should carefully weigh which strategy that will fit the most for the long-term performance of the organization. While considering performance measurement at every employee, managerial levels and work process, it can streamline the goals and objectives of each employee, team and division that will in return ease the decision and planning of shareholders.

Although a few decades ago, organizations tended to be unchanging, nowadays, businesses need to adjust all the time since technological revolution is always changing such as strong presence of the internet that truly create a communications network. Since the rationalization of the structural changes is indeed vital, organizations must apply appropriate motivational tools in order to improve better experimentation and commercialization stages of innovation.

The second common form of collaboration in the innovation process has evolved in response to the recognition that organizations often lack expertise in some stages of the innovation process, which prevents them from turning good ideas into value-generating products, services, or business models. In particular, innovative ideas

generated by entrepreneurial firms are often stunted due to a lack of commercialization talent or funding. This problem has been considered particularly acute in Canada, where the Government has taken the initiative of establishing organizations such the Health Technoloand MaRS Innovato promote collaboration and partnerships between entrepreneurs, venture capitalists, and others in Ontario's medical and assistive technologies sector, and to facilitate stakeholder input into the innovation process.

Major corporations that have traditionally been competitors also sometimes form partnerships in order to pool their expertise in developing new products and services. For example, SAP and RIM (now BlackBerry) reportedly worked collaboratively to provide access to SAP applications via the BlackBerry platform (IT Online, 2008). More commonly perhaps, firms may outsource their innovation processes to reduce risk and provide more favourable conditions for innovation (Chesbrough, 2003), or they may acquire startups for the purpose of boosting innovation performance.

This is a practice used by GE, for example (cited in De Souza et al., 2009). The trend of "open collaboration" involving sharing of ideas and joint experimentation between organizations within a network has been reported to contribute significantly to more rapid implementation, at lower cost, and reduced risk for the firms involved (Chesbrough and Appleyard, 2007; Creamer and Amaria, 2012). It is clear from previous research that following a clearly-defined innovation strategy rather than an ad hoc approach is one of the preconditions for success in innovation. In a way, this seems counterintuitive: strategy implies constraints, and it might be argued that creativity should not be stifled in this way.

It is not enough to share theory and knowledge, however correct it may be. Old habits are hard to break, especially when those habits are reinforced, albeit unintentionally, by cultural norms which are contrary to new values and behaviors. There is nothing sacred about the guidelines outlined above. They represent the kinds of actions that can build new leadership habits and norms into the organization. Culture change must start at the top. Not only must senior leaders clarify the kinds of practices they expect of themselves, managers, and supervisors, but they must create the processes and methods to maintain a consistent message and reinforce desired behaviors.

Sometimes we are hesitant to engage in the kinds of behavior described above because of the time it requires. We allow the urgent to rule the important. However, by not committing this kind of time to developing our subordinates, we fail to play a leadership role. We become overly involved in operational issues rather than providing guidance and direction and developing the long-term capability of the organization.

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Means of feedback is the 360-degree survey which utilizes many different data points (boss, peers, direct reports) to assess how well someone is performing on

critical leadership behaviors. People improve when they “know the score.” Although intimidating, initially, most people appreciate objective data when it helps them better understand themselves and know in which areas they can make improvements.

More senior leaders should meet with each of their subordinates to assess their strengths and weaknesses (from survey feedback) and then work together to create a plan to help them overcome weaknesses and gain those competencies required to succeed in their position. The plans that are developed should not be reviewed once a year, but should be a working document always within reach and referenced during many one-on-one meetings. In fact, they should form the basis of much of the dialogue that occurs between a boss and his/her direct reports.

The personal accountability interview is a key tool for building new leadership practices into the infrastructure of the organization. It is a formal meeting between a leader and each direct report in order to review and help them improve their performance. The meeting has two major objectives. The first objective focuses on the performance of the subordinate, how they are doing against their performance requirements, goals, metrics, and, in general, in their management and leadership roles. This represents an opportunity for the leader to hold people accountable and also provide them with the resources and support they need in order to succeed. It is a time to make sure that people are using their time wisely and making good business decisions.

The second objective of a PAI focuses on the development of the subordinate. The leader plays the role of mentor by providing information or training in such areas as

the strategy and direction of the business, the role of leaders in a high performance organization, behavioral expectations, etc. It is a time to create and monitor the personal development plan to be sure the individual is making continual improvements in their performance and moving ahead in his/her career. Most importantly, it represents an opportunity to listen, understand, and learn about the subordinate, how they are doing and what they need in their on-going development.

The technology resource refers to the tools or objects used to create and/or deliver an organization's product or service. This resource could be as simple as a pen used to write invoices or as sophisticated as a computer system that is used to design a product. The management team within an organization identifies the appropriate technology that is needed to achieve the mission of the organization. The type and amount of technology is determined by how much of a service or product the organization wants to create or deliver. An amount is identified by the goals outlined in the vision statement of the organization and in the strategic plan. The type is identified by what is currently used in the industry and what would be most effective for the organization and its mission.

There are three areas where strategies are developed for the technology resource. The technology strategic plan is the plan that identifies how to: obtain the technology; maintain the technology; and adapt the technology. Once the type and amount of technology is identified, plans on where to purchase them or build them are developed. Once obtained, this resource must be maintained to provide optimum performance. As an organization competes in the marketplace, products and services change. In addition new methods are created that are more efficient. To effectively

manage these new requirements, some technology may need to be adapted to deliver the product or service in the new way. If adaptation of the technology does not sufficiently address the need, organizations may resort to obtaining new technology.

The finance resource refers to the money or capital that is used to pay for or fund all the organization's activities. This resource includes money that is generated by sales, loans, grants, or donations. It also includes any capital assets that could be sold or used as collateral toward further loans or grants. Just like the technology resource, there are three areas where actions are identified for the finance resource. The finance strategic plan is a plan that identifies how to effectively: generate the money; manage the money; and, forecast the revenue and expenses.

The amount of money required to successfully run an organization is calculated by the managers as they determine their needs for the accomplishment of their departments' goals and objectives. This typically includes identifying the costs of running the business and developing a budget for the ongoing expenses of the department. These expenses include all those required for purchasing, maintaining and adapting technology and compensating all employees for the time spent working. The human resource refers to the people whose knowledge, skills, and abilities are utilized to create and deliver the product and service. This resource is considered to be an organization's greatest resource. This is due to the fact that an organization could not be managed or products and services created and delivered without the use of the KSAs of people. Technology and money are also required to achieve the goals of the organization, but these resources cannot be utilized without some assistance from people.

There are three areas where plans are developed for effectively utilizing the human resource. The human resource strategic plan identifies how to: attract the right types and numbers of people; develop the knowledge, skills and abilities of employees; and, retain the employees within the organization.

Successful organizations have the right types and amount of people to perform the required duties to achieve the organizations' objectives. Initially this involves finding the right type and amount of people in the market place. Once these people are working for the organization, their KSAs need to be kept current for the technology they are using or the clients with whom they are interacting. Time and money is spent on regularly developing the KSAs. Since organizations don't usually want to lose a resource in which they have made an investment, they develop and implement systems that retain this resource. These systems include identifying appropriate human resource management techniques to motivate the performance of the employees.

When developing strategic plans, the management team ensures that the plans for each of the resources are developed in conjunction with each other. This is due to the fact that the resources are interdependent of one another. The interdependence means that the result of whatever is planned for and acted upon with one resource will have an influence on the plans of another resource. The management team and the HR professional must understand the link between the three resources and how best to develop strategic plans for each resource. This picture shows that each resource is equal in importance and is connected to each of the other. The outside circles demonstrate that each is driven by its own operational plan which in turn is driven by

the organization's strategic plan which is driven by the organization's mission and vision.

It doesn't matter which resource the management team begins to develop first. Each could be developed separately, but before a strategic plan is finalized there needs to be a matching of the requirements of each to the other. Organizational effectiveness is achieved when there is alignment between the technology, finance, and human resource strategic plans, and these plans are focussed towards achieving the mission. The management team is responsible to the organization's stakeholders to utilize and manage the three critical resources in a responsible manner.

As the management team identifies the extent to which the technology, the money, or the people will be used the impact on one another is calculated. This impact analysis is included in the development of the strategic plans for each resource. The final strategic plan for the organization culminates in an integrative outcome. Done well, such improvement can be transformational—producing fundamental changes in the way individuals, groups, and organizations function.

Human Synergistics International is a world leader in the field of data-driven change—measuring and quantifying organizational behavior at the individual, group, and organization levels. Survey feedback, an integral part of the OD process, provides leaders and managers with research-based information on what is happening within the organization—be it cultural norms, organizational systems, organizational climate, leadership and managerial approaches and their consequent impact, or the behaviors of key people throughout the organization. Such

measurements must be based on solid, academically-respected research to help guide the process of change.

Helpful feedback tools not only measure the current state, but also identify what needs to be focused on to improve effectiveness in terms of building on strengths and overcoming stumbling blocks. When people receive feedback based on a reliable and valid assessment that highlights what is helping and hindering effectiveness at the individual, group, and/or organization levels, then they can build strategies for improvement.

The process is quite simple. It's built on approach. Whether at the individual, group, or organizational level, the process remains the same—measure what is currently happening, develop strategies for change, implement these, and then re-test to evaluate the effectiveness of the change strategies. Human resource planning is one of the growing areas of academic research. Organizations regard its human resource as their core competency because it would lead towards better organizational performance.

This research focuses on effect of human resource planning on the organizational performance. Objective of this research is to determine key determinants of formal human resource planning that contributes towards performance in the telecom sector. The data collected from top managers, middle level managers and the first line HR managers of 50 offices including head offices and regional offices of 160 questionnaires including some interview and open ended questions based on the measures of performance and Human Resource Planning. The results from the factor

analysis on HRP measures selection, training, and incentives and the organizational performance measures which are job satisfaction, efficiency, employee motivation and technology constitutes significant and a positive relationship with other. As modern HR practices are implemented in telecom sector and companies would spend more on Human Resources, it would lead towards High performance achievement. Key principles and practices associated with HRM date back to the beginning of mankind. Mechanisms were developed for the selection of tribal leaders, for example, and knowledge was recorded and passed on to youth about safety, health, hunting, and gathering. More advanced HRM functions were developed as early as 1000 and . Employee screening tests have been traced back to 1115 B.C. in China, for instance. And the earliest form of industrial education, the apprentice system, was started in ancient Greek and Babylonian civilizations before gaining prominence during medieval times.

Since the inception of modem management theory, the terminology used to describe the role and function of workers has evolved from "personnel" to "industrial relations" to "employee relations" to "human resources." While all of these terms remain in use, "human resources" most accurately represents the view of workers by contemporary management theory: as valuable resources managed in the same manner as other valuable resources, according to the authors.

The need for an organized form of HRM emerged during the industrial revolution, as the manufacturing process evolved from a cottage system to factory production. As the United States shifted from an agricultural economy to an industrial economy, companies were forced to develop and implement effective ways of recruiting and

keeping skilled workers. In addition, industrialization helped spur immigration, as the country opened its borders to fill industrial positions. Filling these jobs with immigrants, however, created an even greater need for adequate management of employees.

Between the 1880s and the 1940s, immigration rose significantly and remained robust until World War II. Advertisements circulated throughout the world depicting the United States as the land of opportunity where good-paying industrial jobs were plentiful. As a result, the country had a steady stream of low-skill, low-cost immigrant workers who occupied manufacturing, construction, and machinery operation positions. Even though these employees performed largely routine tasks, managers faced serious obstacles when trying to manage them since they spoke different languages.

Early human resource management techniques included social welfare approaches aimed at helping immigrants adjust to their jobs and to life in the United States. These programs assisted immigrants in learning English and obtaining housing and medical care. In addition, these techniques promoted supervisory training in order to increase productivity.

While some companies paid attention to the "human" side of employment, however, others did not. Therefore, other factors such as hazardous working conditions and pressurealso increased the importance of effective management of human resources. Along with the manufacturing efficiencies brought about by industrialization came several shortcomings related to working conditions. These problems included:

hazardous tasks, long hours, and unhealthy work environments. The direct cause of employers seeking better HRM programs was not poor working conditions, but rather the protests and pressures generated by workers and organized labor unions. Indeed, labor unions, which had existed as early as 1790 in the United States, became much more powerful during the late 1800s and early 1900s.

There were two other particularly important contributing factors to the origination of modem HRM during that period. The first was the industrial welfare movement, which represented a shift in the way that managers viewed employees—from nonhuman resources to human beings. That movement resulted in the creation of medical care and educational facilities. The second factor was Frederick W. Taylos (1856-1915) , a landmark book that outlined management methods for attaining greater productivity from low-level production workers.

The first corporate employment department designed to address employee concerns was created by the B.F. Goodrich Company in 1900. In 1902 National Cash Register formed a similar department to handle worker grievances, wage administration, record keeping, and many other functions that would later be relegated to HRM departments at most large U.S. companies. HRM as a professional discipline was especially bolstered by the passage of the Wagner Act in 1935 (also known as the National Labor Relations Act), which remained the basic U.S. labor law through the 1990s. It augmented the power of labor unions and increased the role and importance of personnel managers.

During the 1930s and 1940s the general focus of HRM changed from a focus on worker efficiency and skills to employee satisfaction. That shift became especially

pronounced after World War II, when a shortage of skilled labour forced companies to pay more attention to workers' needs. Employers, influenced by the famous Hawthorne productivity studies and similar research, began to emphasize personal development and improved working conditions as a means of motivating employees.

In the 1960s and 1970s the federal government furthered the HRM movement with a battery of regulations created to enforce fair treatment of workers, such as the Equal Pay Act of 1963, the Civil Rights Act of 1964, the Employee Retirement Income Security Act of 1974 (ERISA), and the Occupational Safety and Health A of 1970. Because of these acts, companies began placing greater emphasis on HRM in order to avoid lawsuits for violating this legislation. These regulations created an entirely new legal role for HRM professionals. Furthermore, during the 1970s, HRM gained status as a recognized profession with the advent of human resource programs in colleges.

By the end of the 1970s, virtually all medium-sized and large companies and institutions had some type of HRM program in place to handle recruitment, training, regulatory compliance, dismissal, and other related issues. HRM's importance continued to grow during the 1980s for several reasons. Chanvalues, for example, required the skills of HRM professionals to adapt organizational structures to a new generation of workers with different attitudes about authority and conformity. Shifting demographics forced changes in the way workers were hired, fired, and managed. Other factors contributing to the importance of HRM during the 1980s and 1990s were increasing education levels, growth of service and white-collar jobs, (including reductions in middle management), more women in the workforce, slower

domestic market growth, greater international competition, and new federal and state regulations. Businesses and organizations rely on three major resources: physical resources, such as materials and equipment; financial resources, including cash, credit, and debt; and human resources or workers. In its broadest sense, HRM refers to the management of all decisions within an organization that are related to people. In practice, however, HRM is a tool used to try to make optimum use of human resources, to foster individual development, and to comply with government mandates. Larger organizations typically have an HRM department and its primary objective is making company goals compatible with employee goals insofar as possible. Hence, for a company to attain its goals, it must have employees who will help it attain them.

Towards this end, R. Wayne Pace, identifies seven underlying assumptions that provide a foundation and direction for HRM. First is the acknowledgment of individual worth, suggesting that companies recognize and value individual contributions. Second is that employees are resources who can learn new skills and ideas and can be trained to occupy new positions in the organization. Third is that quality of work life is a legitimate concern, and that employees have a right to safe, clean, and pleasant surroundings. A fourth assumption is the need for continuous learning; talents and skills must be continually refined in the long-term interests of the organization.

A fifth assumption supporting the existence of an organized HRM within a company or institution is that opportunities are constantly changing and companies need methods to facilitate continual worker adaptation. Sixth is employee satisfaction,

which implies that humans have a right to be satisfied by their work and that employers have a responsibility and profit motivation to try to match a worker's skills with his or her job. The seventh and final assumption is that HRM encompasses a much broader scope than technical training—employees need to know more than the requirements of a specific task in order to make their maximum contribution.

Paul S. Greenlaw and John P. Kohl describe three distinct, interrelated fields of interest addressed by the HRM discipline: human relations, organization theory, and decision areas. Human relations encompass matters such as individual motivation, leadership, and group relationships. Organization theory refers to job design, managerial control, and work flow through the organization. Decision areas encompass interests related to the acquisition, development, compensation, and maintenance of human resources. Although the method and degree to which those areas of interest are handled vary among different HRM departments, a few general rules characterize the responsibilities, positioning, and structure of most HRM divisions.

HRM department responsibilities, other than related legal and clerical duties, can be classified by individual, organizational, and career areas. Individual management entails helping employees identify their strengths and weaknesses, correct their shortcomings, and then make their best contribution to the enterprise. These duties are carried out through a variety of activities such as performance reviews, training, and testing. Organizational development focuses on fostering a successful system that maximizes human, and other, resources. This important duty also includes the

creation and maintenance of a change program, which allows the organization to respond to evolving outside and internal influences. The third responsibility, career development, involves matching individuals with the most suitable jobs and career paths.

The positioning of HRM departments is ideally near the theoretic organizational center, with maximum access to all divisions and management levels. In larger organizations the HRM function might be headed by a vice president, while smaller entities will have a middle-level manager as head of HRM. In any case, because the HRM department is charged with managing the productivity and development of workers at all levels, the top HRM manager ideally has access to, and the support of, key decision makers. In addition, the HRM department should be situated in such a way that it has horizontal access, or is able to communicate effectively with all divisions within the company. Horizontal access allows HRM to integrate, educate, and train the workforce, and to facilitate changes that affect one division and indirectly influence other segments of the company or institution.

The structure of HRM departments differs according to the type and size of the organization that they serve. But many large organizations (including governments, institutions, manufacturing companies, and service firms) organize HRM employee development functions around various clusters of workers—they conduct recruiting, administrative, and other duties in a central location. Different employee development groups for each department are necessary to train and develop employees in specialized areas, such as sales, engineering, marketing, or executive education. In contrast, some HRM departments are completely independent and are

organized purely by function. The same training department, for example, serves all divisions of the organization.

The second major HRM function, human resource development, refers to performance appraisal and training activities. The basic goal of appraisal is to provide feedback to employees concerning their performance. This feedback allows them to evaluate the appropriateness of their behavior in the eyes of their coworkers and managers, correct weaknesses, and improve their contribution. HRM professionals must devise uniform appraisal standards, develop review techniques, train managers to administer the appraisals, and then evaluate and follow up on the effectiveness of performance reviews. They must also tie the appraisal process into compensation and incentive strategies, and work to ensure that federal regulations are observed.

Training and development activities include the determination, design, execution, and analysis of educational programs. Orientation programs, for example, are usually necessary to acclimate new hires to the company. The HRM training and education role may encompass a wide variety of tasks, depending on the type and extent of different programs. In any case, the HRM professional ideally is aware of the fundamentals of learning and motivation, and must carefully design effective training and development programs that benefit the overall organization as well as the individual. Training initiatives may include apprenticeship, internship, job rotation, mentoring, and new skills programs. The fourth principal HRM function, maintenance of human resources, encompasses HRM activities related to employee benefits, safety and health, and worker-management relations. Employee benefits are

non-incentive-oriented compensation, such as health insurance and free parking, and are often used to transfer nontaxed compensation to employees. The three major categories of benefits managed by HRM managers are: employee services, such as purchasing plans, recreational activities, and legal services; vacations, holidays, and other allowed absences; and insurance, retirement, and health benefits. To successfully administer a benefits program, HRM professionals need to understand tax incentives, retirement investment plans, and purchasing power derived from a large base of employees.

Human resource maintenance activities related to safety and health usually entail compliance with federal laws that protect employees from hazards in the workplace. Regulations emanate from the federal Occupational Safety and Health Administration, for instance, and from state workers' compensation and federal Environmental Protection Agency laws. HRM managers must work to minimize the company's exposure to risk by implementing preventive safety and training programs. They are also typically charged with designing detailed procedures to document and handle injuries.

Maintenance tasks related to worker-management relations primarily entail: working with labor unions, handling grievances related to misconduct such as theft or sexual harassment, and devising systems to foster cooperation. Activities in this arena include contract negotiation, developing policies to accept and handle worker grievances, and administering programs to enhance communication and cooperation. One of the most critical aspects of HRM is evaluating HRM methods and measuring their results. Even the most carefully planned and executed HRM programs are

meaningless without some way to judge their effectiveness and confirm their credibility. The evaluation of HRM methods and programs should include both internal and external assessments. Internal evaluations focus on the costs versus the benefits of HRM methods, whereas external evaluations focus on the overall benefits of HRM methods in achieving company goals. Larger human resource departments often use detailed, advanced data gathering and statistical analysis techniques to test the success of their initiatives. The results can then be used to adjust HRM programs or even to make organizational changes.

The authors of Human Resources Management posit four factors, the "four Cs," that should be used to determine whether or not an HRM department or individual program is succeeding: commitment, competence, cost-effectiveness, and congruence. In testing commitment, the HRM manager asks to what extent do policies enhance the commitment of people to the organization? Commitment is necessary to cultivate loyalty, improve performance, and optimize cooperation among individuals and groups.

Competence refers to the extent to which HRM policies attract, keep, and develop employees: Do HRM policies result in the right skills needed by the organization being available at the proper time and in the necessary quantity? Likewise, cost-effectiveness, the third factor, measures the fiscal proficiency of given policies in terms of wages, benefits, absenteeism, turnover, and labor/management disputes. Finally, analysis of congruence helps to determine how HRM policies create and maintain cooperation between different groups within and outside the organization,

including different departments, employees and their families, and managers and subordinates.

In addition to advanced data gathering and analysis techniques, several simple observations can be made that provide insight into the general effectiveness of a company's human resources. For example, the ratio of managerial costs to worker costs indicates the efficiency of an organization's labor force. In general, lower managerial costs indicate a more empowered and effective workforce. Revenues and costs per employee, when compared to related industry norms, can provide insight into HRM effectiveness.

Furthermore, the average speed at which job vacancies are filled is an indicator of whether or not the organization has acquired the necessary talents and competencies. Other measures of HRM success include employee complaint and customer satisfaction statistics, health insurance and workers' compensation claims, and independent quality ratings. In addition, the number of significant innovations made each year, such as manufacturing or product breakthroughs, suggest HRM's success at fostering an environment that rewards new ideas and is amenable to change.

Besides evaluating these internal aspects of HRM programs, companies also must assess the effectiveness of HRM programs by their impact on overall business success. In other words, companies must link their evaluation of HRM methods with company performance to determine whether these methods are helping their business by increasing quality, reducing costs, expanding market share, and so forth. Ultimately, companies must make sure that they have the right amount of properly

skilled employees performing tasks necessary for the attainment of company goals and that greater revenues and profits result from HRM efforts to increase the workforce and improve worker training and motivation. The field of HRM is greatly influenced and shaped by state and federal employment legislation, most of which is designed to protect workers from abuse by their employers. Indeed, one of the most important responsibilities of HRM professionals lies in compliance with regulations aimed at HRM departments. The laws and court rulings can be categorized by their affect on the four primary HRM functional areas: acquisition, development, compensation, and maintenance.

The most important piece of HRM legislation, which affects all of the functional areas, is Title VII of the Civil Rights Act of 1964 and subsequent amendments, including the Civil Rights Act of 1991. These acts made illegal the discrimination against employees or potential recruits for reasons of race, color, religion, sex, and national origin. It forces employers to achieve, and often document, fairness related to hiring, training, pay, benefits, and virtually all other activities and responsibilities related to HRM.

The 1964 act established the Equal Employment Opportunity Commission (EEOC) to enforce the act, and provides for civil penalties in the event of discrimination. Possible penalties include forcing an organization to implement an program to actively recruit and promote minorities that are underrepresented in a company's workforce or management. The net result of the all-encompassing civil rights acts is that HRM departments must carefully design and document numerous procedures to ensure compliance, or face potentially significant penalties.

In addition to the civil rights acts, a law affecting acquisition, or resource planning and selection, is the Equal Pay Act of 1963. This act forbids wage or salary discrimination based on sex, and mandates equal pay for equal work with few exceptions. Subsequent court rulings augmented the act by promoting the concept of comparable worth, or equal pay for unequal jobs of equal value or worth.

The important Age Discrimination in Employment Act of 1967, which was strengthened by amendments in the early 1990s, essentially protects workers 40 years of age and older from discrimination. The Fair Credit Reporting Act also affects acquisition activities, as employers who turn down applicants for credit reasons must provide the sources of the information that shaped their decision. Similarly, the Buckley Amendment of 1974 requires certain institutions to make records available to individuals and to receive permission before releasing those records to third parties.

The major laws affecting HRM development, or appraisal, training, and development, are the civil rights act, the equal pay act, and the age discrimination in employment act. All of those laws also affected the third HRM activity, rewards, or salary administration and incentive systems. In addition, however, HRM reward programs must comply with a plethora of detailed legislation. The Davis-Bacon Act of 1931, for instance, requires the payment of minimum wages to non-federal employees. The Walsh Healy Public Contracts Act of 1936 ensures that employees working as contractors for the federal government will be compensated fairly. Importantly, the Fair Labour Standards Act of 1938 mandates employer compliance with restrictions related to minimum wages, overtime provisions, child labour, and

workplace safety. Other major laws affecting rewards include: the Tax Reform Acts of 1969, 1976, and 1986; the Economic Recovery Tax Act of 1981; the Revenue Act of 1978; and the Tax Equity and Fiscal Responsibility Act of 1982.

Perhaps the most regulated realm of the HRM field is maintenance (or benefits), safety and health, and employee/management relations. Chief among regulations in this arena is the Occupational Safety and Health Act of 1970, which established the Occupational Safety and Health Administration. That act was designed to force employers to provide safe and healthy work environments and to make organizations liable for workers' safety. The sweeping act has ballooned to include thousands of regulations backed by civil and criminal penalties, including jail time and fines for company executives. Also of import are state workers' compensation laws, which require employers to make provisions to pay for work-related injuries, and forces HRM managers to create and document safety procedures and programs that reduce a company's liability. The Wagner Act of 1935 is the main piece of legislation governing union/management relations, and is a chief source of regulation for HRM departments. Other important laws related to HRM maintenance include: the Norris-Laguardia Act of 1932, the Social Security Act of 1935, the Taft-Hartley Act of 1947. In the 1990s several forces were shaping the broad field of HRM.

The first key force, new technologies—particularly information technology—brought about the decentralization of communications and the shake-up of existing paradigms of human interaction and organizational theory. Satellite communications, computers and networking systems, fax machines, and other devices were facilitating rapid change. Moreover, since these technologies helped blur the lines between work

time and personal time by enabling employees to work at home, HRM professionals began adopting "management by objective" approaches to human resources instead of the traditional "management by sight" method.

A second important change affecting HRM was new organizational structures that began to emerge during the 1980s and continued through the 1990s. Because many companies began expanding their operations and diversifying their products and services, the central decision-making system failed to respond quickly enough to managers' needs and concerns. Therefore, companies started scrapping traditional, hierarchical organizational structures in favor of flatter, decentralized management systems. Consequently, fewer managers were involved in the decision-making process and companies were adopting more of a team approach to management. HRM professionals, as the agents of change, were charged with reorganizing workers and increasing their efficiency. These efforts also resulted in the proliferation of part-time, or contract, employees, which required human resource strategies that contrasted with those applicable to full time workers.

A third change factor was accelerating market globalization, which was increasing competition and demanding greater performance out of workers, often at diminished levels of compensation. To compete abroad, companies were looking to their HRM professionals to augment initiatives related to quality, productivity, and innovation. Other factors changing HRM include: an accelerating rate of change and turbulence, resulting in higher and the need for more responsive, open-minded workers; rapidly changing demographics; and increasing income dispari as the demand for highly educated workers increases at the expense of lower-wage employees. Important for

firms engaged in the service sector to keep their employees motivated and productive. Even in the manufacturing and the traditional sectors, the need to remain competitive has meant that firms in these sectors deploy strategies that make effective use of their resources. This changed business landscape has come about as a result of a paradigm shift in the way businesses and firms view their employees as more than just resources and instead adopt a “people first” approach.

As discussed in the articles on modern day HRM practices, there is a need to align organizational goals with that of the HR strategy to ensure that there is alignment of the people policies with that of the management objectives. This means that the HR department can no longer be viewed as an appendage of the firm but instead is a vital organ in ensuring organizational success. The aims of strategic management are to provide the organization with a sense of direction and a feeling of purpose. The days when the HR manager was concerned with administrative duties is over and the current HRM practices in many industries are taken as seriously as say, the marketing and production functions.

The practice of HRM must be viewed through the prism of overall strategic goals for the organization instead of a standalone tint that takes a unit based or a micro approach. The idea here is to adopt a holistic perspective towards HRM that ensures that there are no piecemeal strategies and the HRM policy enmeshes itself fully with those of the organizational goals. For instance, if the training needs of the employees are simply met with perfunctory trainings on omnibus topics, the firm stands to lose not only from the time that the employees spend in training but also a loss of

direction. Hence, the organization that takes its HRM policies seriously will ensure that training is based on focused and topical methods.

In conclusion, the practice of HRM needs to be integrated with the overall strategy to ensure effective use of people and provide better returns to the organizations in terms of ROI (Return on Investment) for every rupee or dollar spent on them. Unless the HRM practice is designed in this way, the firms stand to lose from not utilizing people fully. And this does not bode well for the success of the organization. The 50–plus–year–old Federal personnel system is not able to meet the challenges of today's rapidly changing and knowledge–based environment. Critical aspects of the system need reform to ensure the ability to attract, develop, retain, and reward a diverse workforce that will enable agencies to meet the critical mission entrusted to them by the American people. One of the Department's top four strategic goals for Fiscal Years 2007–2012, "Management and One Excellence" focuses particularly on being a "citizen–centered, results–oriented and strategically aligned organization". Investing in people is a key strategy to accomplish this goal.

As the Department moves into the next five years, it will continue to be aggressive in addressing human capital issues as a member of the federal community while pressing for needed Treasury–specific reforms to provide greater flexibility and accountability. This will be accomplished through promotion of policy changes when possible and through development of statutory and regulatory proposals in cases where legal and regulatory changes are required. To achieve amore diverse workforce and ensure equal opportunity, Treasury will increasingly seek to ensure

that human resources and equal employment/civil rights and diversity programs are integrated.

This integration also will help to more effectively identify and collaborate on workforce. The availability of resources to carry out the mission, to include human capital management, is highly dependent upon an increasingly complex and time–consuming budget process. Department funding levels in a constrained budget environment, as well as delays in annual appropriations, have the potential to adversely affect implementation of human capital strategies and programs. Traditionally, human capital programs are among the first programs to experience financial reductions in tight budget years. To maximize current resources, the Departmental Offices and the bureaus are identifying common issues and working together in developing joint solutions. Examples include initiatives to attract, develop and retain talent and a general transformation of the Human Capital. The Department's Strategic Plan for Fiscal Years 2007 – 2012 acknowledges that technology continues to evolve at a very fast pace.

Moreover, individuals entering the workforce today and in the years to come will expect their workplace to have the same tools and technology they are accustomed to in their homes and schools. They will want access to real–time, reliable data about themselves and their organization to help them work smarter and faster. Employees want to access their information on–line and use the Internet to conduct transactions, whether they are applying for jobs, making payroll deductions, or changing their health plans. Technology offers the freedom and the flexibility to conduct business anywhere and at any time. The improved processes and streamlining of operations,

which technology offers, may require constant re–engineering of business processes and an understanding of how those changes affect the workforce, including the challenge of ensuring information security.

As the technology landscape is altered, the Department's employees will need training and development to keep The Department is implementing a two–part approach to enterprise–wide human capital planning and management, which aligns with its departmental strategic and annual planning and accountability processes. This Human Capital Strategic Plan sets the overall vision for a five–year period with long–term goals and strategies that are outcome–based and applicable across the entire Department. To meet the goals of the Human Capital Strategic Plan, an annual Human Capital Operating Plan (HCOP) will be developed each fiscal year to identify annual goals and key initiatives to ensure steady progress towards the goals laid out in the Human Capital Strategic Plan.

The Department and its bureaus will work collaboratively to develop and execute the annual operating plan which will contain innovative human capital initiatives that support each of the Human Capital Strategic Goals. Achievement of those initiatives will be evaluated by measures identified in individual initiative project plans. Organizations with positive reputations for employee satisfaction and engagement are better positioned when competing for talent in a highly competitive environment. Programs which support employees in terms of work life factors such as telework; flexible, part–time and seasonal work schedules; day care; fitness amenities; and support for continuing education, will enhance the Department's ability to attract and retain talent. Efforts focused on ensuring an attractive, accessible, and secure

workplace with state–of–the–art tools and equipment also increase employee satisfaction. The value of the above mentioned efforts could be compounded when the resulting employee satisfaction is widely reflected and publicized in surveys and articles which highlight Treasury as an employer of choice. The use of workforce competency information developed through regular workforce assessments and continuous monitoring of mission critical occupations has multiple advantages.

The Department can use workforce competency information to ensure that recruitment and continuous learning programs are having the desired effect in reducing competency gaps. A focus on mission–related competencies also facilitates implementation of specific programs and strategies for development and knowledge transfer initiatives to address specific mission critical competency gaps. Competency benchmarks allow employees to better plan and evaluate their individual career progression and view their development in terms of long–term employability.

Clear identification of competencies as they relate to the mission provides employees the information they can use to explore multiple career paths and seek specific developmental opportunities. Information gathered in connection with strategy 2.3 also informs this strategy. A wealth of job satisfaction and employee engagement enhancement activities has been initiated throughout the Department. Additional efforts by supervisors and managers, supported by human capital practitioners, to recognize each individual's unique talents by matching the right person to the right assignments, have the potential to significantly improve employee engagement and job satisfaction. Efforts to support each individual in understanding the connection between their daily work activities and the specific goals and objectives of their work

unit and the Department also have the potential to enhance job satisfaction as well as performance and productivity.

These efforts must start with a robust on–boarding process and continue throughout the employee's career. Obtaining, developing, and retaining talent is only the first step in achieving strong results. The way in which the Department's valuable human capital resources are deployed, managed, and supported, plays a crucial part in the overall effectiveness of the organization in delivering its mission results to the American people. Improved processes and streamlining of operations influence the numbers and types of occupations the Department will need to employ, how they will be managed, where they will work, and how their performance will be measured. Performance management programs that enable employees to see the connection between their responsibilities and the success of their organization in meeting its goals and objectives, creates a strong performance culture. Any credible performance management program must facilitate the ability to differentiate performance levels with clear and measurable standards. Supervisors must receive the training necessary to assess performance effectively and communicate feedback constructively. Ultimately, it will be the Department's actions that have the highest impact in institutionalizing a result–oriented performance culture.

Ensuring that recognition programs have clear mission alignment, and developing supervisors/managers who recognize, model and affirm values that reflect fair and equitable treatment based on merit, will sustain a performance–based culture. A robust and highly visible accountability program builds trust through transparency at every level. Regular sharing of data and regular engagement of management and

employees in discussions regarding the status of, barriers to, and initiatives for improving accountability promotes employee empowerment and progress over time. Incorporation of specific human capital management components, e.g., performance management, leadership development and succession planning, talent management, EEO (Equal Employment Opportunity), into every supervisor's and manager's performance plan ensures broad and clear accountability. The world of human capital management is rapidly changing. Academic research, organizational experience, technology, new statutes and regulations, and changing demographics are redefining the set of competencies needed for the human capital community.

Evaluating those competencies and developing an approach to identify the specific set of competencies most needed for human capital practitioners across the Department is the first step in ensuring the Department has a sustainable and high–performing human capital workforce. With the use of workforce assessments, the gap between current competencies and those needed for future success will be determined.

This analysis will be used to guide decision-making and resource investments required to design and implement developmental programs. Creating a cadre of human capital practitioners with broad and varied experience goes far beyond developing a specific set of competencies. Programs that support and encourage career mobility across the Department, e.g., structured career planning programs and paths (including an honors intern program for human capital professionals), special project assignments, and rotational assignments which bring together experts from across the Department, support development of human capital practitioners at every

level. Most organizations view the department of Human Resources (HR) as an administrative function and ignore the need and opportunity to align it with its strategic plans. In circumstances where HR is included in the strategy of an organization, its alignment does not go beyond a forecasting function. The main reason that HR is not aligned with the strategy of an organization is that it does not hold a seat at the strategic planning table. The irony with HR being left of out of strategy planning is that by its nature, HR is about people, which is the core of an organization and its strategic plan.

The HR function not aligned with an organization's strategy. My hypothesis is that it is hard to measure HR success and thus it is considered "soft" and not important in the strategy development. What gets measured gets done and/or receives the authority to contribute to an organization's strategy. HR is often viewed as the organization's "cop", ensuring that benefits are properly administered and hiring/firing is handled to the letter of the law. In contrast to the HR administrative function, strategic HR practices are more contemporary concepts. Consequently, organizations are less likely to expect these practices to have an impact on bottom line business results (Huselid, Jackson, & Schuler, 1997).

A definition of strategic HR management is the design and implementation of a set of internally consistent practices that ensure an organization's human capital contributes to the achievement of its business objectives (Huselid, Jackson, & Schuler, 1997). I propose the HR person is responsible for receiving their lack of creditability in gaining business respect. I have experienced that HR personal are often not suited as business people and are unable to contribute to an organization's

strategy. The essence of HR is strategic. When properly aligned, HR contributes to a successful strategy and the financial bottom line. HR needs to maintain a strong administrative foundation and use this respect to help earn a seat at the strategy table. To gain access to the full involvement with strategy development, HR needs to acknowledge what it does now, with what it needs to do to provide value to the organization's bottom line.

Once the gap is recognized, HR needs to measure itself to guide itself, and prove its worth as an ongoing strategic unit. Ongoing monitoring and evaluation of HR strategic role expansion will prove itself to be worthy or not as a benefit to the bottom line. HR is viewed as the people department and/or resource. The organization's people ultimately determine the effectiveness of strategy development, implementation, and subsequent competitive success. A strategic approach that is aligned with HR ensures that an organization's employees, skills, and abilities contribute to the achievement of its business goals (Huselid, Jackson, & Schuler, 1997).

There are two distinct functions of HR. One is HR strategic effectiveness, which is the HR function and development of an organization's employees to support its business goals. However, it is the second HR function of administrative effectiveness on which most HR departments spend their time. These administrative functions are the activities traditionally associated with HR, such as, recruitment, selection, training, performance appraisal, and compensation plans (Huselid, Jackson, & Schuler, 1997). The choice for HR between strategic or administrative functions is not an either/or questions. Rather, HR needs to realize that both are equally

important. HR administrative functions are the basic building blocks that keep order with the function of HR and, when done correctly, maintain a level of creditability within the organization. It is not so much that HR is recognized for a good administrative job, as it is important not to be known for doing a poor administrative job. Once the foundational administrative functions are in place, HR needs to expand into the strategic arena, where it's personal are uncomfortable.

HR's beleaguered reputation is well deserved. It is often ineffective, incompetent, and costly. The improved duty of HR requires a change in how HR professionals think and act. In addition, it requires that senior management change what they expect from HR. For HR to be taken seriously, senior management must show that they believe HR can play an important strategic role, beyond administrative duties. Further, HR professionals must upgrade themselves. Organizations need HR people who know business, can influence the culture, and make positive change happen within an organization; doing so will bring personal creditability to HR (Ulrich, 1997).

To contribute in a strategic manner, HR must earn respect. HR must measure its effectiveness in terms of business competitiveness, rather than employees' good feelings. HR must lead an organization's culture, rather than consolidate, or downsize in order to contribute value. To be considered a strategic function, HR must escape its perception of an incompetent support staff (Ulrich, 1997). HR lacks accountability because often organizations do not pay much attention to it. The prevailing perception is that HR is a group of clerks processing benefit forms and

tracking vacation days. Beyond these administrative functions running smoothly, there is no strategic accountability (Galford, 1998).

The HR department will never achieve its full potential until it can demonstrate the role it plays in creating organizational value and its return on investment (Frangos, Fitzenz, 2002). Usually, HR's value is reported from cost savings in the HR process, rather than on what HR achieves from a business return on investment. It is this fundamental lack of business measures to determine what HR brings to the bottom line that is visibly missing. Leading research from the consulting industry cites that 40% of HR executives are asked to sit at the strategy table, while 60% play a passive role (Frangos, Norton, 2001).

This leads to the conclusion that HR lacks the tools to describe and measure the value of the HR role. Without an effort to measure HR's strategic contribution, organizations cannot manage HR and/or human capital as a strategic asset. Dr. Jac Fitz-enz, author of The ROI of Human Capital cites five ways to evaluate an HR process: 1) How much does it cost? 2) How long does it take? 3) How much was accomplished? 4) How many errors occurred in the process? 5) How did employees respond (Frangos, Fitz-enz, 2002)? These measures may be new to HR, but they are not new to business evaluation. If HR wants to be respected as a business value, then it must measure itself in a business manner. To be involved with the over-all strategy, HR needs to be aligned with the organization. One Harvard survey found that 80% of HR departments lack a strategic planning process that aligns it spending with the organizations strategy (Norton, 2001).

HR needs to become interdependent with the rest of the organization. HR needs to take a comprehensive approach that aligns its actions with the entire organizational strategy. The strategy that is chosen by the organization. To capitalize on this leverage, organizations need to adopt a new perspective of HR (Becker, & Huselid, 2001). The first step in aligning HR with strategy is to recognize that the HR department and its duties are a strategic asset, instead of the traditional administrative function of being a cost center, focused on compliance. This administrative role works on efficiency and is therefore a commodity. If an organization fails to recognize this commodity, it misses the opportunity to allow HR to become strategic. This administrative mindset needs to evolve into a focus on value creation. In order to achieve this focus, HR must first recognize that it needs to play a strategic role, and top management must support HR's role by accepting HR into the strategic planning initiatives.

The alignment between HR and the strategy of an organization begins with a strategy-focused professional. Secondly, the HR system needs to be created in alignment with the organization's strategy. HR needs to ensure that employees are strategically focused (Becker & Huselid, 2001). Every element of the HR function, from hiring, compensation, reviews, training, etc., needs to be developed in order to enlarge the human capital in the organization.

Becoming more strategic does not mean that HR can ignore its administrative duties. Rather, to become more strategic, HR must not only recognize its administrative role, but also expand its influence beyond administrative towards a strategic role. Efficient administrative work builds HR's creditability and remains the foundation

upon which to build a strategic influence in the organization (Galford, 1998). To enable HR staff's to focus on more strategic initiatives many of the routine administrative duties can be automated or out-sourced. Obviously, HR cannot abandon. Its administrative duties, especially employee health benefits and personal legal issues; however instead HR needs to operate at both administrative and strategic levels (Galford, 1998).

In order to be strategic, a longer view of HR resources is needed (Mills, 1985). Too often the perspective of HR is internally focused. For example, it is common for HR departments to measure their value to the organization by the amount of hires made, performance reviews completed, or training courses delivered (Ulrich, 2000). If HR is to work as an equal partner in the organization's strategic efforts, it must be able to successfully manage the administrative side of its duties, along with being able to talk at a strategic level to others in the organization about the HR responsibility in supporting strategic objectives.

Traditionally, HR personal is not considered to be a central strategic player in most organizations. HR has so much more to contribute towards the success of an organization's strategy and doing so requires an upgrade in personal (Galford, 1998). An organization needs to acknowledge that HR is important to its business success.

In order for HR to achieve this recognition, it must have the right people in place to carry out a strategic initiative. HR needs to define the competencies and skills that it will need to be a strategic contributor. Outstanding HR personal will need to build their business knowledge, financial skills, as well as consulting skills. Furthermore,

HR personal will need to become technologically oriented, so they can be free from routine administrative work, as well as leverage information about the workforce. Enabled by technology, HR will be able to play a more strategic managerial role (Frangos, 2002). To overcome the resistance to HR having a say in organizational strategy, HR needs to measure and identify the benefit from being a part of the strategic process (Mills, 1985).

Most organizations will agree that HR plays an important part in its success, but continue to prevent HR from being included in the true strategic objectives of an organization. Being able to describe the strategic benefit HR provides will help in being recognized as valuable contributor. HR needs to measure is its impact on organizational strategy and its efforts to build programs to better manage the development of an organization's human assets.

Specifically, HR needs to measure the organization's: competencies, leadership, culture, alignment, and learning (Norton, 2001). Measuring these issues provide a framework for describing the drivers of an organization's strategy. When assessing its value added to the organization, HR must look to these strategic drivers as their point of reference. In each measurement, HR will be accountable for the organization's readiness for each component of the strategy. Below is an example of a chart to assist in measuring an organization's competitive advantage is more easily obtained when its HR is effectively linked with its strategy. The need to match strategies and HR has implications for both the recruitment of personal and organizational performance (Wright, Smart, McMahan, 1995).

In other words, when HR is strategic and involved with and/or linked to organizational performance, it plays an important role in the success of an organization. By measuring the key HR contributors to strategy, execution the HR function is transformed into a source of value creation for the organization. Measuring the key HR issues in strategy provide the alignment between HR and business process and ultimately, what can be used to link to financial business outcomes (Ulrich, 2000).

Aligning HR and strategic plans is an important endeavor for every organization. Studies strongly support the alignment between strategies, HR, and performance and thus show the potential role HR can play in implementing strategy and developing an organization's competitive advantage (Wright, Smart, McMahan, 1995). Alignment between HR activities and strategy planning can be formed by HR. HR needs to expand beyond an administrative function and focus more on how it can support the organization in strategic planning and implementation.

By increasing the competencies of HR personal, the department will increase its creditability and be integrated into a strategic role. When HR measures itself from a business perspective and by the value it brings an organization, top management will not ignore HR in the strategy process. Instead, top management will welcome HR input because it will have a clear understanding of how HR affects the bottom line from a business and/or strat stand point. By inter-locking HR measures with items these HR/organization issues (Norton, 2001). The measures listed in the table above will link the organization's strategy and HR strategy. With this type of measurement, HR has a means to discuss strategy with top management.

These measures also highlight HR's challenges and contributions to the organization's strategy. Furthermore, the responses become a source of organizational alignment and allow HR to reposition their roles and become strategic partners in and organization's strategy. An emphasis on HR leads to understanding the role HR plays in strategically building a competitive advantage. There is a link between strategy and HR. The greater by inter-locking HR measures with items concerning the ongoing business, HR becomes aligned with strategy through dependent tasks that are accounted for interdependently.

In summary, an organization's people and their skills ultimately determine the effectiveness of strategic plans, and its implementation. In its purest form, HR is best suited for leveraging an organization's personal that implements the organization's strategic plans. In other words, HR resources are what drive an organizations' strategic process. The congruence between strategy and HR, the more effective the organization will be. Different strategies require different skills. Thus, organizations pursuing different strategies will require different skills in personal and this is where HR needs to be aligned with strategy (Wright, Smart, McMahan, 1995) enable an organization to achieve its goals is strategic human resource. Human resource refers to the capabilities of human persons to perform task this means that those who are not capable of performing tasks will not be regarded as human resources Bervans (2003).

Lazar (2001) stated that human resources ensure the right number of people and at the right time doing the right thing to ensure that goal of the organization are achieved. It is important to note that it's the individual that determines and chooses

in what type of organization's human resources she wants to belong. This means that people are not forced to belong to the human resources for an organization rather it is a person's determination, zeal, expertise and ambition that make one belong to the work force of the organization.

Therefore human resources are the most important assets of an organization. It forms a greater and reasonable portion of organization's resources. Human resource is directly connected to the success of an organization and therefore must be planned; the process by which management attempts to provide for its human resources to accomplish its task is called manpower planning.

According to Dirk Huds (2010), an effective human resource management involve maintaining and improving all aspects of a company's practices that affect its employee from the day of his recruitment to the day that he haves the company; a Hiring:- Human Resource manager must devise the most efficient and cost-effective means of advertising and recruit for vacant positions in the company. Human resource management team must devise and implement the selection procedures undertaken to choose the most suitable candidates. Any organization needs money to pay its staff and buy essential materials or equipment for operation. There is no organization with human resources.

Even though an organization has got all the money and machine or material needs, it must still find capable people to put them into effective use. It is therefore logical to claim that human resources are the most important of the three essential resources of an organization. Because no matter the amount of capital invested in an organization

its success or failure depends on the quality of people who executive its programme (Nwankwo, 2000).

Most organization tries to maintain strong human resource for optimal performance and also adjusting the requirement to the available supply: Lazar (2001). The objective of human resource planning is to bring about an intelligible and realistic understanding in the minds of management that the organization adapts to technological, social, political, economical and environmental changes more rapidly and effectively according to the needs of time and situation.

Further to individual, it affords opportunities for growth and development of his skills, talent, personal capacities as a human being are utilized fully both to the advantage of organization. Human resource planning helps management to manage transfers, posting and succession policies and it helps companies and national Human resources department management effectively by supply them required information and data (Human resource Article (2012).

According to jim franklin (2010), the objective of Human resource planning is the hiring, development and retention of employees in the achievement of organizational goals. This include analysis of the current workforce and how it aligns with future employment and by planning for the future, human resources create action plans aimed to satisfy organizations goals. Adequate human resource planning have a great impact in the organization, it will result in the achievement of organizational goals and objectives and also good performance and high productivity in an organization.

According to Todd Barol (2012) he postulates that a poor human resource planning has a great impact on the organization or company. Human resource plays a necessary and invaluable role in administrative functions within the organization. Human resource manages payroll, benefit, recruiting and hiring employee and act as a link between staff and management since HR manages such a different assessment of responsibilities, a disorganized and incompetent place of work can be the outcome if the department falls, to plan distinctive responsibilities effectively. Human resource is systematic process of training and growth, by which individual gain apply knowledgeable insight and attitude to manage organization, work effectively. It emphasize the opportunity to apply ones knowledge and need to learn and grow by so doing knowledge is meaningless unless there is opportunity to apply it and this is achieved through exposure.

Development without which we overcome the continuing shortage of trained people as we strive to throw off the bonds of economic backwardness and seek to achieve the socio-economic objective of our national development plan. In all economic activities, human effort is necessary to work machines, milk cows, harvest crops, load a van, sell goods, keep accounts and so on. This human effort which is vital to production is called labour. It can be manual (working with one's hand or it can be mental labour using head or brain) effectiveness on the direct relationship.

Data was drawn from a sample of 171 large manufacturing firms in Malaysia. The regression results showed that HRM practices generally have a positive effect on organizational innovation. Specifically, the findings indicate that training was positively related to three dimensions of organizational innovation (product

innovation, process innovation, and administrative innovation). Performance appraisal also found to have a positive effect on administrative innovation. Additionally, this study also demonstrates that training and performance appraisal, are positively related to knowledge management effectiveness. Knowledge management effectiveness fully mediates the relationship between training and process innovation, training and administrative innovation, and performance appraisal and administrative innovation. A discussion of the findings, limitations, and implications are provided.

The rapid development of high technology, information and communications technologies have urged many organizations to actively seek for new way, ideas, experimentation, and creative solutions in improving their current product, process, system and technology, which commonly referred as organizational innovation. Malaysia as one of the post-industrial societies has undergone a fierce competition within its rivalries. To survive in the battle, Malaysia has launched its new economy model which aims in transforming the manufacturing firms from the product based towards the knowledge based.

Aligned with this move, understanding the fundamental drivers influencing an organization's ability to innovate successful new products, idea, practices and system is a key strategic task for firms to continue to exist in this dynamic market. It has been widely acknowledged that effective human management resource (HRM) practices (Damampour & Gopalakrishnan, 1998; Tan & Nasurdin, 2010) are significant in extracting positive work behaviours among employees, which consecutively lead to organizational innovation.

According to Harter, Schmidt, and Hayes (2002), HRM practices can generate increased knowledge, motivation, synergy, and commitment of a firm's employees, resulting in a source of sustained competitive advantage for the firm. However, a number of authors, such as Hilsop (2003), Morrow and McElroy (2001), and Moynihan, Gardner, Park, and Wright (2001) have argued on the missing link between HRM practices and organization outcomes. The author argued the more research needs to concentrate on the indirect relationship between HRM practices and organizational innovation. Since knowledge is reside in an individual and given the role of HRM practices in influencing an individual's attitude and behaviours, it is believed that HRM practices has significant and positive relationship on organizational innovation via knowledge management.

Unlike developed nations particularly in the United States of America and European nations, studies on innovation in Malaysia are still under researched (Ismail, 2005; Wan Jusoh, 2000). In its efforts to become a knowledge-based economy, Malaysia has emphasized on the importance of innovation in all sectors of its economy (Ministry of Science, Technology and Innovation, Malaysia (MOSTI), 2006). Given the importance of innovation to a firm's competitive position, several studies have tried to investigate the problem with solution assuredly lead to improved management effectiveness and enterprise performance?

In fact, many of the improvement programs that surfaced (or re-surfaced) during the past decade were invalidated models. They may sound sensible and appear to yield worthwhile benefits. But empirical evidence -- in terms of systematic, verifiable cause and effect -- rarely links management behaviours believed to be effective with

desired work group performance patterns (such as teamwork and collaboration), or with measured organizational performance.

Many management behavioural models are inadequate in other ways, besides lacking an empirical basis. Some models prove too complicated to assimilate and put into practice, such as conditional or situational models that expect a manager to adopt different supervisory behaviours based on different attributes of the group being supervised or the task at hand. Experienced managers know that they will be perceived as more credible and trusted if subordinates do not experience variances in management style from task to task, group to group, or individual to individual.

Some management models are descriptive and analytic, rather than normative, providing little guidance on how to put them into practice. And the models that are normative often do not define behaviours that can be broadly understood and applied -- at all levels of supervision, across a range of organizations, under varying circumstances, by different people.

Some management models are great leader-centric, basing “theory” on a heroic, charismatic, larger-than-life interpretation of what made popular political or business leaders effective. Although these accounts are fascinating, they entail several problems: First, it is not clear to most managers how to apply a leadership model of heroic proportions to everyday problems in their immediate organizations. This challenge can be disillusioning to a mid-career manager who recognizes the improbability of following in the steps of Lee Iacocca, John F. Kennedy, or Martin Luther King, Jr., and frustrating because many of the “great leader theories” center

more around traits than behaviors. Manager's intent on improving their leadership skills cannot do anything about changing personality or physical traits. Useful models must be built on understandable, changeable behaviors.

Finally, many models are incomplete because they do not encompass work group dynamics influenced by management behavior. Some of these models survey employees about whether management behaviors are perceived favorably or experienced as effective, but they do not measure whether desired work group patterns (teamwork, collaboration, information-sharing) actually improve based on such behaviors. Whether or not "management styles" are perceived favorably by those supervised is interesting, but not nearly as useful as measured correlations between normative management behaviours and work group effectiveness. If management improvement models fall short in the ways discussed above, what essential features would be evident in a complete, useful model?

First, it would be simple in ways that lend broad structure and clarity to the complex relationships among managers, employees individually and in groups, and the overall work product of these relationships. Effective management models contain both analytic and synthetic features. Analytic elements dissect a 2 problem and provide a descriptive framework, while synthetic elements reformulate in a normative way that aims for improvement. Managers may not comprehend how to improve behaviours by reading a purely analytic or descriptive analysis, even of the highest caliber. Therefore, useful management models need to contain synthetic as well as analytic components.

Second, good management models come to grips with values that motivate behavior. Improvement is about changing behaviors (of managers, employees, work groups), which are rooted in the belief systems that characterize the "informal organization." Whether intrinsic or explicit, management behavioral models embody values -- about what forms of leading, following, solving problems, and communicating are expected, tolerated, rewarded, and respected. Therefore, in order to influence how people in a workplace lead, follow, communicate, and solve problems, an improvement model must engage the dynamic interplay of values, expectations, disincentives, symbols, motivations, and beliefs that affects individual and team behaviours.

Third, the value of a behavioural model depends on whether it can be validated empirically. Changing management practices and work group patterns requires an investment of time and resources, and a validated model provides assurance that the organization is not rewarding the wrong behaviours, incentivizing the wrong values, sending mixed messages about expectations, or pursuing a trend that will soon fall out of favour if it does not produce quick results.

Finally, a performance improvement model needs to be capable of changing behaviour through measurement, feedback, and learning. Sustainable improvement requires simple, understandable, normative data that can be broadly applied by managers who want to improve their own effectiveness. Our search for a performance improvement model that satisfied these essential criteria proved frustrating. In the final analysis, it was necessary to develop our own model. The balance of this paper is about the performance improvement model derived and

applied in UC Irvine's Administrative and Business Services division over eight generations1 of surveying, analyzing, and improving management performance and organizational effectiveness. Any correlation this strong needs to be questioned. Do the two constructs share a mutual linear relationship or do they measure, in effect, the same underlying dimension?

The two constructs' questions appear to measure a range of differing, distinct values and behaviours. Closer examination suggests that the "effectiveness" construct measures work group values: a common set of goals; consistent standards; values of service, quality, and excellence; commitment to customers' needs and to continual improvement; and a shared, positive view of the work group's effectiveness. These values are outward looking -- toward the customer, the work-product, and the quality of the group's output. The "cooperation" construct, on the other hand, focuses inward on "how" rather than "what" work groups do: how differences are resolved, who feels responsible, how information is shared and problems are solved, how interpersonal problems are addressed. The questions comprising the Effectiveness Measures and the Workplace Cooperation constructs thus appear to measure different, independent variables. To empirically substantiate the path of the model, we used partial correlations to validate the model's various relationships.

These analyses confirm that, at each step, the best predictor of a given construct is the construct immediately preceding it in the model. Partial correlations of other possible relationships all approach zero. The fact that the most significant and robust partial correlations were found in the order coinciding with the path of the model appears to confirm that the correlations observed among the model's various

constructs are independent of any undiscovered, underlying factor with which all of the constraints may be associated.

More than a few management and leadership books have expressed the view that management skills and leadership behaviors are opposites. The former entail what are sometimes labeled the “ministerial” functions of planning, organizing, controlling, supervising, allocating, and the like; the latter behaviors center around setting a vision, inspiring people to identify with it, invoking a desire to pattern behavior after that of the charismatic leader, and other decidedly non-ministerial functions. Most such comparisons seem to assume that a leadership void opens up just below the chief executive officer. They do not appear to contemplate that managers who do planning, organizing, and controlling can also lead -- at least not in the charismatic, high-profile, visionary sense, which is seen as the role of the (singular) CEO-leader. Some management academics even postulate that a good leader cannot be a good manager, and vice-versa. Anecdotal, rather than empirical, information is usually offered to back up these views. Clearly, at the level of everyday operations, leadership qualities and behaviors are evident, especially among those with the most effective management skills. Leadership qualities and management skills are not mutually exclusive, but consistently found in the same individuals, and at every level in the organization.

This correlation was so high that extra statistical testing was employed to ensure that two, distinct constructs exist. Both the quantitative analysis and careful reading of the questions, themselves, (which reveals that they do, in fact, ask about entirely different behaviours) confirm that the leadership and management constructs in this

model are independent. In conclusion: Management behaviours and leadership behaviors are entirely different, yet highly correlated. The performance improvement model discussed and diagrammed above is linear and simple, and its interpretation is therefore straightforward.

Although correlation analysis does not ensure the direction of predictive or causal arrows, they are hypothesized as follows: Leadership Qualities and Effective Management Behaviors provide the foundation for Workplace Respect; the latter is, in turn, the precursor to Workplace Cooperation, which then leads to organizational effectiveness. Simply stated, key management and leadership behaviors foster workplace respect, which enables workplace cooperation, which then yields team-based performance.

The model demonstrates the foundational role of management in enabling teamwork. Specific supervisory behaviors are required in order to establish and sustain Workplace Respect -- the necessary precursor to Workplace Cooperation. Workplace Respect, at the center of the model, is more pivotal than even its high correlations would suggest. The data (page 8) reveal that above a critical level of Workplace Respect, cooperation rises sharply; below this threshold, it plummets. This pattern is equally clear at the organizational unit level (departments and sub-departments). When a unit's Workplace Respect measure drops below 2.9, Workplace Cooperation is simply unattainable.10

The model thus reveals a singular, linear critical-path to management performance.11 It demonstrates that a manager can do very little to directly influence

workplace cooperation or enterprise performance. Rather, the primary role of the effective manager is to excel in the behaviors that lead to workplace respect -- the foundation on which desired organizational patterns and, ultimately, team-based performances depend. Fortunately, these behaviors can be improved. 10

A popular management belief suggests that teams, provided with appropriate resources and empowered by the authority to solve problems as needed to pursue an understood mission, can develop effective patterns with little supervisory influence. This view is heralded as “the organization of the future” by proponents who extol its value for enterprises that must meet rapidly changing market demands through teamwork, collaboration, and information sharing.

However, the Irvine Performance Improvement Model demonstrates the foundational role of supervision in enabling teamwork, collaboration, and information sharing, since particular management behaviours directly foster workplace respect -- the necessary prerequisite to these patterns of workplace cooperation. (However, a self-directed work group could develop values and behaviours consistent with the Workplace Respect construct.) Managers need to base their actions on a valid model of what employees believe and value and what motivates them, especially when innovation and improvement are needed by the enterprise. Intuition and common sense do not provide complete, reliable management insights.

For example, without an empirical model, would it be obvious to a manager that rewarding behaviours that comprise the Workplace Cooperation or Workplace Effectiveness constructs might prove futile unless he/she first evidences behaviours

that foster Workplace Respect -- the critical-path precursor revealed by the model? Without an empirical model, would it be apparent that teamwork and collaboration are almost impossible to develop absent mutual respect in the workplace, or that cooperation and effectiveness will plummet if workplace respect falls just slightly below a critical threshold, or that even a few Management Detractor behaviours can negate management effectiveness?

A validated model's worth stems from its ability to efficiently stimulate improved performance. Variables with little predictive value can be essentially ignored, enabling managers to concentrate on the factors most likely to produce results. In a workplace with limited time to invest in improvement, and given the imperative of uninterrupted production, the most efficient performance improvement model is the leanest, simplest one. If your enterprise's output is the summation of individuals' independent work products, you do not need this improvement model. However, if the value your enterprise creates depends on interdependencies, collaboration, team problem solving, shared expertise, and continual improvement, you need a robust performance improvement model.

The Irvine Performance Improvement Model illustrates how workplace respect and cooperation emerge from a foundation of management and leadership behaviours that can be expressed as clear performance expectations. Before implementing this or any behavioural model, examine the inherent values it embodies in order to determine whether they are valid in your organization. Every behavioural model contains embedded values (expressed or not) that will undermine implementation if they clash with mixed messages from other behavioural systems, such as the human

resources system. Profoundly affect organizational effectiveness. The causal relationship is strong and clear. These behaviours do not affect enterprise performance directly, but rather through the critical-path, intermediating factors of Workplace Respect and Workplace Cooperation -- also definable, measurable and time bound its subsequent rate.

Further, they looked at factors, such as equipment, training, potential for challenging assignments, and advancement opportunities, that can influence an employee's perception. Especially important was uncovering how an organization's response to ideas and needs impacts its officers' attitude toward engagement and performance. After examining the level of engagement of the individual, the researchers studied the significance of responses at the smallest operational units, the level at which an agency begins to develop and become impacted by its uniqueness.

The survey involved 621 participants, a 38 percent rate of return. While each organization had a unique culture, common trends created a universal baseline. Based on the study, the researchers developed the Pyramid of Performance Factors (PPF) to show how agency systems and employee perspectives are prioritized, thus creating the foundation for engagement and performance. The PPF can identify how even small differences in attitude can impact an employee's performance, combine to influence smaller operational units, and, eventually, impact the effectiveness and efficiency of the entire organization. The author provides an overview of the study results and an analysis of how employees' responses impact their level of engagement and, ultimately, organizational effectiveness.

The foundation of the PPF pertains to employees' expectations before hire. Individuals enter law enforcement service for various reasons. For example, they may strive to serve the community. Perhaps, they want to join the subculture. However, once hired, expectations meet reality, and the aura surrounding officers' association with a particular agency cannot by itself sustain their career-long commitment. Employees' fit within an agency's operational structure influences its success. When individuals' desires and expectations are met, these personnel more likely will perform at a high level. Employees probably will expend energy, effort, and enthusiasm when they believe in an agency's mission, vision, and priorities.

For instance, law enforcement organizations may focus on crime fighting, as opposed to prevention, strategies, and each agency will follow a specific style (e.g., sector or zone) of policing. Police personnel become frustrated when they cannot communicate upward with those who can implement change. Subsequently, their frustration may turn to anger, and anger can result in disengagement.

The authors examined if officers viewed their agency's communication pathways as effective and also considered how two-way communication between supervisors and personnel impacted employee performance. The study focused on seven forms of internal communication to gauge from the officers' perspective effectiveness in transferring information upward to individuals who best could act on it. These methods included participation in a committee, suggestion cards, e-mails, chain of command, labour organizations, open-door policy, and other means.

The officers' responses indicated that all internal communication pathways needed improvement. The highest-rated means, the submission of ideas through the chain of

command, only received a “somewhat effective” rating. As to the use of suggestion cards to facilitate direct communication from the individual to the command level, a troubling “not effective” rating was recorded. An organization’s printed promise of a reply should assure personnel who spend the time to write and take ownership of a suggestion that they will receive a response. A failure to reply suggests that the organization does not care.

Accurate feedback to personnel is critical not only for increasing short-term effectiveness but also for facilitating their long-term development. Reliable information on officers’ performance helps them determine their strengths and weaknesses, which increases engagement during their career. Specifically, agencies must recognize the value of positive reinforcement as a morale builder and performance enhancer. When discussing with employees their shortcomings, supervisors should do so only for the purpose of encouraging improvement.

Supervisors can work with officers, focusing on their long-term goals, to tailor evaluations that meet the organization’s needs while also helping officers fulfill their individual development goals. The nature of public safety requires supervisors to maintain a certain level of command and control to ensure professionalism and accountability. From the direct supervisor’s level, the study noted contradictory results in the effectiveness of internal communication. Supervisors not only must understand the concepts and techniques of effective evaluations but also practice these skills in role-play situations to become comfortable in having potentially difficult conversations with personnel regarding performance concerns. A goal is for officers to see feedback as positive, not threatening, and to participate more easily in

uncomfortable conversations. Also, discussion must include two-way participation from both the supervisor and the employee. Performance must be viewed from different perspectives, from formal after-action reports to impromptu conversations, with the same goal of identifying what can be learned. For professionals in law enforcement, feedback received today may change behavior and save the life of a citizen or teammate tomorrow.

Also, many supervisors feel that their performance should not be graded from their subordinates' perspective. However, having subordinates share their views openly in this way creates opportunities to make improvements and increase effectiveness. When supervisors receive feedback on their performance, it allows them to see where they are doing well and where they can improve.

Common wisdom suggests that smaller operations would score higher on bottom-up communication because of the cohesiveness usually found in smaller units and the less restrictive communication styles of these supervisors. Also, field supervisors in larger units, such as patrol operations, seemingly would use a tighter command-and-control leadership style and would not receive performance feedback as willingly. Surprisingly, the authors found the opposite to be the case. The detectives and officers assigned to smaller, more specialized units were less likely to talk with supervisors about performance than personnel assigned to general field operations.

Overall, supervisors in all organizations should learn how to solicit and make use of feedback to improve their effectiveness. Discussing with officers the issues of engagement and performance illuminates these subjects from the employees'

perspective. Perception of organizational responsiveness translates to reality at the individual level. Officers emphasized their eagerness and motivation to do their jobs to the fullest. Apparently, a lack of engagement results not from an indifferent attitude but, rather, frustration due to the lack of responsiveness to the employees' ideas and concerns. They expressed the perception that their organizations were not listening to, acknowledging, or acting upon ideas. When individuals perceive they cannot get information up the chain of command to the policy makers responsible for change, the progression of frustration to anger and then disengagement begins with the employees, expands to the unit level, and, possibly, infects the entire organization.

The study directly addressed these claims of loss of performance and engagement. Organizations were asked if they were responsive to employees' needs and ideas, while the authors requested individual officers to relate how their agency's responsiveness affected their level of engagement and performance. The authors combined the individual results to assess the situation at the unit, division, and, finally, organizational level.

According to 11.8 percent of officers, their organization mostly responds to their ideas, and they have increased their performance and willingness to suggest new ideas; 2.3 percent said that their agency mostly responds to their ideas, they are satisfied with meeting performance standards, and they do not want to suggest ideas; 51.1 percent related that their organization does not always respond to their ideas but that they will continue to suggest new ones and maintain a high level of performance; 27.4 percent shared that their department does not always respond to

their ideas but that they will continue to perform acceptably and suggest some new ideas; and 7.3 percent said that their organization does not always respond to their ideas, they will meet minimum levels of performance, and they will not suggest new ideas. Organizations can use the PPF as a tool to help identify where long-term strategic and short-term tactical improvement can increase overall employee performance and engagement. The most striking aspect of the overall study was the number of officers fully engaged despite their agencies' unresponsiveness to them; this seems to underscore the commitment and sense of duty of those who undertake a career in policing.

Although addressing employee frustration is not complicated, leaders need to stay committed in the short and long term to learning, understanding, and remedying the causes of this problem. Agencies can enjoy the long-term benefits of high employee morale, community engagement, and fiscal return on the investment in employees if leaders take a bottom-up view of the department and observe issues from the perspective of front-line personnel.

All organizations strive to have fully engaged employees whose high performance becomes engrained as an accepted norm in the agency's culture. Increasing agency effectiveness does not happen overnight, but, over time, systematic changes will begin to reshape the culture. The process starts with leaders instituting action-oriented initiatives with milestones to measure both short- and long-term targeted goals. As organizations make structural changes at the higher levels, they begin to transform their culture at the individual level. The author offers some examples of systematic and cultural changes. Perception is reality in the eyes of front-line

personnel in policing. As the author and fellow researchers' study shows, agencies need to begin conversations examining individual performance and organizational effectiveness from a bottom-up perspective. To best transition into a high-performance culture, employees and leadership should work together to assess their organizations and address their unique problems that undercut performance. For leaders in any police organization, the goal of creating a high-performance culture is worthy of the challenge. The literature review shows there are a great number of critical success factors for KM. This paper contributes to the knowledge management research field through understanding those factors, their interrelation and the role of information technology in achieving a better business performance.

One of the key benefits of introducing KM practices in organisations is its positive impact on organisational performance. The research conducted in Croatia suggests that KM positively affects organisational outcomes of company innovation, product. Organizations are pursing proactively human resource management (HRM) practices and systems to capitalize on strength of this vital asset for sustained competitive advantage in knowledge economy (Jackson & Schuler, 2000; Mac Duffie, 1995). Review of literature indicated essential HRM practices as workforce planning (Matthis & Jackson, 2004); job analysis (Cascio, 2006; Dessler, 2003).

Training and development (Kundo, 2003); recruitment and selection (Kulik, 2004); compensation and reward (Milkovich & Newmen, 1999); performance appraisal (Bernardin & Russel, 1993); career management (Schein, 1996); human resource information system (Wolfe, 1998); quality of work life, personnel diversity, employees attitude surveys (Armstrong, 2005; Bracken, 2000; Hayes, 1999).

In meta-analysis of 104 articles, Boselie et al., (2005) concluded that the top four HRM practices are efficient recruitment and selection, training and development, contingency and reward system, and performance management that have been extensively used by different researchers. In recent years, the focus of research on HRM has shifted from study and relationship of individual HRM practices on business performance to entire HRM system and its influence on organizational performance. The researchers have different views about this new paradigm. Some researchers claim that the system view of HRM is appropriate, but others contend, "that to arbitrarily combine multiple [HRM sub-] dimensions into one measure creates unnecessary reliability problems' (Becker & Huselid, 1988, p.63).

In addition, comprehensive examination of individual HRM practices highlights the significant predictor of business performance (Bjo¨rkman & Budhwar, 2007). Researchers have used financial and non-financial metrics to measure organizational performance. The financial measures include profit, sales, and market share. Non-financial measures include productivity, quality, efficiency, and the attitudinal and behavioral measures such as commitment, intention to quit, and satisfaction (Dyer & Reeves, 1995). Divergent views exist to measure the organizational performance based on financial as well as non-financial measures.

Hoskisson et al., (2000) identified the problems related to measurement of financial dimensions in emerging economies. It has been argued that lack of market based financial reporting, inadequate regulatory mechanism and enforcement about financial reporting, lack of transparency in financial reporting, and provision of fictitious financial information are important issues facing emerging economies (Bae

& Lawer, 2000; Hoskisson et al., 2000). A subjective measure facilitates managers to take into account organizational goals when evaluating its performance. Researchers argue that though perceptual measure may introduce limitations, the benefits are far greater than the risks. Several researchers have "raised persuasive doubts about the causal distance between an HR input and such output based on financial performance. Put simply, so many other variables and events, both internal and external, affect organizations that this direct relationship rather strains credibility (cited in Boselie et al., 2005, p.75)." The researchers argued that more proximal measures over which employees exert influence are empirically more plausible and methodically easier to link.

In a comparative study of United States and Japan, Ichniowski and Shaw (1999) found that Japanese firms were more productive than United States' firms on account of implementing HRM practices. In a study in Taiwanese high technology firms, Chang and Chen (2002) established that HRM practices of workforce planning, training and development, benefits, teamwork, and performance appraisal significantly affected productivity. The study also found the negative relationship between human resource planning and employees' turnover.

Ngo et al., (1998), in a study in Hong Kong companies; found that HRM practices of training and compensation increased firms' performance. Tessema and Soeters (2006) investigated influence of 160 European Journal of Economics, Finance and Administrative Sciences - Issue 24 (2010) HR practices in Eritrea. The study found that efficient implementation of these practices enhanced the performance at individual and organization level.

In a study in India, Paul and Anantharaman (2003) found indirect effects of HRM related activities on operational and financial performance of firms. The study did not find the causal association of single HRM practice with business performance. In another study Sing (2003) found that strategic use of HRM practices positively affect performance of organizations in India.

BjorkmanIn and Xiucheng (2002) investigated the outcome of HRM practices on Western firms' performance in China, and found a positive association between HRM practices and performance. Bartel (2000) evaluated the impact of HRM practices on performance in Canada and found significantly positive relationship between two constructs. In Israel, Harel and Tzafrir (1999) found out that HR practices had positive relationship with firms' performance in public and private sectors. In Korea, Bae and Lawler (2000) concluded that HRM practices significantly affect organizational performance.

Lee and Chee (1996) in their study did not find as association between HRM practices and business performance. Bae et al., (2003) concluded that high-performance work practices produced excellent results in Pacific Rim countries. Morishima (1998) concluded that organizations with integrated HR practices performed well in Japan than organizations with poorly integrated personnel practice In a study in New Zeeland, Guthrie (2003) validated the impact of HRM practices on employee turnover and profitability. Lee and Lee (2007) established that workforce planning, teamwork, training and development, compensation and incentives, performance appraisal, and employees' security are important HRM dimensions that

affect productivity, product quality, and business performance. In a study in Taiwan, Chang and Chen (2002) determined significantly positive relationship of HRM practices with organizational performance.

The study also found a negative relationship of workforce planning with employees' turnover. It is argued that HRM practices enhance employees' competency and motivation that affect organizational performance (Harel & Tzafrir, 1996) contended that HRM practices based on quality hiring, development, and retention boosts firms' capability.

Tsai (2006), in a study in Taiwan, found a positive relationship of employees' empowerment and firms' performance. In a study of HRM practices in Chinese small and medium enterprises, participatory decision-making, performance-based pay, free market selection and performance appraisal, employees' commitment emerged as the most essential outcome for improving performance (Zheng et al., 2006). Rizov and Croucher (2008) empirically examined the relationship of HRM practices and organizational performance in European firms.

They found that collaborative form of HRM practices (characterized by valuing employees as assets and core partners, creating and communicating a culture of partnership between employer and employees as well as among employees, communicating organization's mission, values, goals and strategy statement through explicit open communication policy and strong support for employees consultative bodies like unions and committees) reflected positive and statistically significant association with firms' performance.

Ahmed and Schroeder (2003) investigated effects of selective hiring, employment security, decentralization and use of teams, incentive and compensation, extensive training, status differences, and information sharing on organizational performance (quality, cost, flexibility, delivery and commitment). The study confirmed the positive and significant relationship of HRM practices with firms' operational performance Researchers (Chiu et al., 2002; Tepstra & Rozell, 1993) have established that HRM practices of extensive recruitment and selection, training and development, and compensation systems have positive association with firms' performance.

Lam and White (1998) established that effective recruitment, competitive compensation, and efficient training and development have relationship with financial dimensions of performance (growth in sales, return on assets, and growth in stock values. Green et al., (2006) concluded that integrated approach to HR practices exhibited satisfied and committed employees who demonstrated remarkable individual and team performance.

Harel and Tzafrir (1996) argued that HRM practices improve employees knowledge, skills and abilities (selection and training), through enhanced motivation (compensation and reward). Studies established that HRM practices aimed at acquisition and development of employees is an essential investment that develops valuable and rare human assets (Becker & Huselid, 1998). Huselid (1995) established that high involvement HRM practices have positive relationship with corporate performance, productivity, work attachment, and financial performance.

Delaney and Huselid (1996) confirmed that selective staffing; compensation and incentive, and training had positive influence on performance of organization. A significant number of empirical studies have explored the relationship between HRM practices and firms' performance in American organizations (Arthur, 1994;

2.3.4 Human Resource Management Practices and Business Performance

The initial studies focused on establishing a link of single HRM practices to firm's performance (Cutcher-Gershenfeld, 1991). Subsequently group of HRM practices were identified as High Performance Work Systems (HPWS), and researchers established link of HPWP with excellent performance of organizations (Appelbaum, 2000; Huselid, 1995). Cappelli and Neumark (2001) found negative outcome of these practices with regard to firm's performance.

Godard (2004) argued that poor employee relationship limits the effectiveness of these HPWP. Strong evidence exists in literature about different HRM practices and their effects on superior firms' performance. Researchers found a positive relationship between effective recruitment and selection practices and top-class performance (Harel & Tzafrir, 1996; Delany & Huselid, 1996); training and development (Bartel, 1994; Fey et al., 2000); compensation and reward (Chie et al., 2002; Batt, 2002); performance appraisal (Boselie et al., 2001, Bjorkmand & Xiucheng, 2002); employee relations (Kuo, 2004).

Prior studies have validated the link between HRM practices and superior business performance in United States and Europe (Boselie et al., 2001; Hoque, 1999); Asia

(Bjorkmand & Xiucheng, 2002; Ngo et al., 1998) and Africa (Chebregiorgis & Karsten, 2007). Empirical studies indicate a strong and positive association between HRM practices and performance of organizations. (Cappeli, 1998; Katou & Budhwar, 2007; Kuo, 2004; Huselid et al., 1997; Youndt et al., 1996).

The present study investigated five HRM practices namely; training and development, recruitment and selection, compensation and reward, performance appraisal, and employee relation and examined the effects of these practices on subjective measures of performance (product quality, productivity efficiency and overall perceived performance compared to industry average).

2.3.5 Human Resource Planning/ Strategic Management towards Organization Performance

Companies have been advised to develop mission statements and elaborate strategy definitions, which provide direction, goals and profitability targets for their activities (e.g. Chandler, 1962; Mintzberg, 1973; Porter, 1980). They should also create specific functional strategies, such as financial management or marketing strategies, which define how the companies will allocate their resources in order to achieve their mission and goals. The exercise of strategic planning helps managers to analyze the relevant environmental and internal conditions, in order to anticipate opportunities and threats and therefore improve organizational performance.

According to this logical incrementalism perspective (Quinn, 1978), the top management teams set the corporate strategy and sub-units develop specific strategies and tactics needed to respond effectively to environmental challenges

(Wright, McMahan & McWilliams, 1994). The implementation of corporate and functional strategies depends on the companies' resources and, particularly, on people.

The human resource strategy focuses on how the company should manage its staff to assist the organization in the achievement of corporate objectives (Walker, 1992, Schuler & Jackson, 1987). As such, it is argued that companies with explicit mission statements and corporate strategies could be expected to have developed aligned human resource strategies to address the issues relevant for strategy implementation (Schuler & Jackson, 1987).

Thus, the strategy pursued by the company is correlated with the needs of human resources, the skills that must be acquired, or that are already possessed, and the types of control systems to ensure the achievement of business goals. According to the resource-based view of the firm, strategies are contingent on having the human resources needed for their implementation (Wright, McMahan & McWilliams, 1994).

Positive correlations have been found between the degree of planning formality and firm performance (Lyles et al, 1993; Pearce, Robbins & Robinson, 1987) because greater emphasis will be placed on improving the quality of the strategic decision making process, such as goal formulation, developing distinctive competences, determining authority relationships, deploying resources and monitoring implementation. Tregaskis (1997) also found that organizations with a formalized HR strategy had a higher probability of adopting practices in line with high performance work systems than those with informal or no HR strategy.

These views of the strategy formulation process are somewhat at odds with the latest thinking on corporate strategy, which argues that in practice strategies are incremental, emergent and messy (Johnson & Scholes, 1988; Mintzberg & Waters, 1982). However, the counter-argument is that the "commander" model (Bourgeois & Brodwin, 1984) does have value: strategic clarity, which derives from a clearly defined mission and corporate strategy, plus a matching HR strategy, may be expected to positively influence organizational performance through HR practices store image. Pfeffer (1998a) also considers training to be one of the characteristic dimensions of organizations that produce profits through people, not only because it is a way of developing skills but also because of the positive attitude it elicits in individual employees, of being part of the company, "playing in the game" (Pfeffer, 1998b, p.116). We should therefore expect that financial investment in training activities as well as amount of training received is positively associated with organizational performance

2.3.6 Human Resource Planning/ Motivation Strategies towards Organization Performance

Empirical research has demonstrated that strategic planning should also be related to motivation and performance management programs, the second factor to which Delaney and Huselid (1996) attribute an impact on organizational performance. Performance management, which is composed of two closely related components (appraisal and pay) is intended to improve organizational performance by motivating employees to achieve objectives that are critical to the organization's strategic direction (Marshall, 1998).

From the empirical researchers it demonstrate that several motivation approaches stress the contribution of performance pay for work motivation (e.g., Adams, 1963; Porter & Lawler, 1968). Additionally, research has shown that compensation strategies include at least two options: fixed pay and variable pay, and that the relative weights of these two components are aligned with corporate strategy (Gomez-Mejia & Balkin, 1992). For example, organizations facing high degrees of turbulence need to be more financially flexible (Stroh et al, 1996; Thompson, 1967) shifting the risk to the workforce in the form of variable pay. However, for performance pay schemes to operate effectively; there should be a link between employee performance and subsequent reward, as well as a perception of equity in reward distribution (Lawler, 1990; Milkovich & Wigdor, 1991). Appraisal provides the means by which organizations can assess the contribution of employees, provide feedback on current performance and motivate staff to reach higher standards of performance (Marshall, 1998).

Performance appraisal systems, on the other hand, define what is meant by implementation and adherence to the strategic plan at the level of an individual employee (Becker, 1988; Latham, 1984; Murphy & Cleveland, 1991). They then become organizational mechanisms for strategy communication (Beck, 1987; Reed & Buckley, 1988).

Empirical research has demonstrated positive links between incentive compensation and organizational performance, through productivity increases (Gerhart & Milkovich, 1992; Gupta & Shaw, 1998), lower employment variability (Gerhart & Trevor, 1996) and the reinforcement of corporate strategy (Gomez-Mejia, 1992). It is

this kind of research that suggests that there seems to be an “increasing link being forged between pay and performance” among both American and European organizations (Sparrow & Hiltrop, 1994).

Similarly, the use of more valid and accurate performance appraisal systems can also contribute to employee motivation, through feedback, the identification of training and development needs, and goal setting practices. Multi-source feedback, or 360º feedback, has gained increased popularity in the literature, precisely because of the value of the feedback employees may receive from sources not covered in more traditional performance appraisal systems (London & Smither, 1995).

Considering that accurate feedback and contingent rewards are the essence of performance management (Marshall, 1998), and that these must be closely aligned with corporate strategy, it has been shown that this combination has a significant impact on the organizational financial and productivity measures (McDonald & Smith, 1995). Pay for performance and accurate feedback (particularly of the 360º type) constitute a powerful tool for managing organizational performance.

Due to changing market opportunities and technology, as well as increasing international competition, firms experience greater uncertainty and are, therefore, motivated to cost reduction. Given that labor costs are, for most organizations, the largest single element of operating costs, there is a strong relationship between strategic management and the use of contingent employment. Evidence has been presented that high users of part-time workers are more likely to have written corporate strategies and written HR strategies, their use being the result of strategic decision-making (Mayne, Tregaskis & Brewster, 1996).

Companies with formal strategic planning processes will most likely, more carefully consider this strategic alternative. The reliance on an increasingly contingent staff, made up of temporary and part-time workers, has also been depicted as a way to reduce benefits costs, to screen potential workers for regular full-time positions or even to adjust staffing levels to cope with fluctuations in companies' workload or fluctuations in demand, while avoiding the morale problems caused by layoffs (Pfeffer, 1994). Contingent employment practices take many forms and are likely to have differential effects (Brewster & Tregaskis, forthcoming).

In this study we have chosen to focus on the most common form in Europe, part-time employment. In the European Union, the average percentage of the workforce in part time jobs has increased from 14.3 in 1992 to 16 percent in 1995 (Clifford, Morley & Gunnigle, 1997). Houseman (2001) concluded that the main reasons for using part-time workers in the U.S. is that this type of HR flexibility had to do with accommodation of employee's desires for short hours and the need to accommodate workload fluctuations.

On the other hand, results from her study of 550 American private sector companies from several industries and sizes, led her to suggest that in order to deal with workload fluctuations, "the lower benefits costs made such arrangements more attractive as an option" (Houseman, 2001). Although it has been argued that some contingent working practices may have dysfunctional effects, such as temporary and fixed term contracts (Kelley, 1995; Medcoff & Needham, 1998; Pfeffer, 1994; Turnley & Feldman, 1999) this may not apply to practices such as part-time contracts, w employees, by making it more likely anonymous reviewers, in a

previous version of this article, regarding organizational environment and industry characteristics scanning and forecasting (Milliken, 1987).

Enlargement or even introduction of product market competition has been one of the purposes of major privatization programs around the world because it will force organizations to develop better competitive strategies and pay closer attention to costs (Ramaswany, 2001). Evidence has also been presented that increased competition enhances productivity, by making better use of available resources and selecting out less fitted competitors (Hannan & Freeman, 1989; Pavcnik, 2002) and by increasing innovation (Blundell, Griffith & Van Reenen, 1999).

Although several factors have been associated with industry attractiveness, by different authors, we use two indicators, product/service demand and market growth, which are consistently included in this construct. Industry attractiveness is supposed to affect organizational performance by forcing companies to perform more effective environmental scanning (Grewal & Tansuhaj, 2001), to define appropriate corporate strategies, with a better internal fit among functional policies (Porter, 1996) and to spend more managerial time "in the environmental threat and opportunity analysis phase of strategic planning" (Milliken, 1987, p.140).

Industry attractiveness is also likely to affect organizational performance, namely due to higher environmental munificence (Pfeffer & Salancik, 1978). Environmental munificence is positively associated with strategic options available to firms, but in the same industry, an environmental condition can present an opportunity for some organizations and a threat to others, depending on their strategic goals, strengths and

weaknesses (Castrogiovanni, 1991), which means that attractiveness has a differential impact, depending on the firm's relative advantages.

According to Wernerfelt and Montgomery (1986) the amount by which efficient firms outperform inefficient ones is smaller when there are more inefficient firms and if industry prices are less volume sensitive, two conditions that are associated with high industry growth.

These authors have shown that efficient diversifiers do better in more profit able industries while inefficient diversifiers benefit from high market growth. In addition, Luo (1998) found out that both firm competence and industry attractiveness attributes contribute and are critical to high organizational performance, although industry structural attributes have a somewhat stronger influence. It may be expected, therefore, that a decrease in demand for a product or service or a decline in market growth will have a direct negative impact on organizational performance, although strategic competencies will play a major role in the way firms react and cope with these attributes. From these arguments, we may consider that industry attractiveness may have an indirect impact on organizational performance, through the strategic management process, but also a direct effect, due to environmental threat reduction.

2.4 Theoretical Framework

The first category of theories that integrate with human resource planning is motivation theory that includes expectancy and equity, content theory of motivation that is theory X and Y, and the system theory by Chester Bernard. To be specific let

us take only` the equity theory by Stans Adams, this focuses on the perception of justice and in partially fairness in the distribution of the rewards of the organization. There should be procedural justice and distributive justice in the whole process of compensation (Gupta, 2009).

It is a motivation strategy in compensation process focusing people's perception of fairness of their work outcome relative to their work input. Therefore if there will be no justice, no fairness will lead to boredom, laziness, then unfair judgment to poor performance of the organization. Thus effective human resource planning must consider employee's contributions particularly those in top and middle management position to highly consider equity in terms of fairness and justice in compensation process, and this will enhance high performance of the organization.

2.5 Research Gaps

The assumptions underpinning the acts of Human resource management are the people; the most organization's key resource and the organization performance highly depend on them. In case therefore the required range of human Resource policies and process are developed and implemented effectively, Human Resource will make substantial impact on firm's performance.

From various studies passed through, literatures have demonstrated that most of the previous planning of human resources were not taking place in Africa continent and particularly in Tanzania. This being the cause deviate the reflection of the real situation in Tanzania and specifically in western zone. Therefore a researcher intend to fulfill this gap by performing this task as case study from Mpanda district council

being one among the district in Tanzania government. By doing so this will cover the gap by rationalizing the human resource planning effectively so as to meet the required performance of a particular organization.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

Research methodology refers to the process stage which describe how a research was conducted. Research normally requires an intensive thinking planning and creativity in order to examine research activity. This stage is very important in conducting research as data collection process is a complex process (Kombo, 2006). This chapter also elaborates how the study is designed and how the study would use qualitative research so as to get statistical description of the problem and to understand the phenomenon really. It is a glue that holds all element of research project together. Furthermore this refers to the scheme out line or plan that is used to generate answers to research into better problems solving.

3.2 Research Design

Research design normally is important for collecting and analyzing data in a way that data collected becomes relevance with a research purpose (Orotho 2003). This refers to the scheme outline or plan that is used to generate answers to reach into better problem solving. A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevant to the research purpose with economy in procedure Kothari (2004). Research design is needed because it facilitates the smooth saying of the various research operations thereby making research as efficient as possible fielding maximum information with maximum expenditure of effort time and money. In this a researcher will empty a case study whereby the collection of data will be concentrated on a single

organization. A case study approach has been adopted because of its flexibility in terms of varied data in the organization and quarantine of in depth investigation of the unity of inquiry. It is a plan structure and strategy of investigation so corrective as to obtain answers to research problem.

3.3 Area of the Study

This study was conducted in Mlele District. Because the researcher was familiar with the area and therefore it was easy for him to get relevant data for the study. Also the study is conducted in such area due to the fact it has persistent employer deficit for a long time due to inadequate recruitment and an increasing rate of job turn over almost in all cadres of the organization. Apart from that; the area is at a very remote site from the big cities of the country. This may facilitate to give an effective crue of what are the main constraints of what, might be the suggestions on what action to take in order to overcome such persistence problem.

3.4 The Study Population

The researcher intends to cover a total population of 260,000 people dwelling at Mlele district council. The categories included in this population are the Human Resource officers, Medical officer, Nurses, Clinicians, Pharmacists, Teachers, Social workers, Engineers', Accountants, procurement officers, economists, Agricultural officers, Natural Resources officers, as well as Personal Secretaries.

3.5 Sample Size

The research has covered a total number of 50 respondents and this sample of 50 respondents was taken intending to cover the research as proposed. Among these

workers at operational middle level, and from top level of management. Top management level were selected because they have all details of the mission, vision, and objective of the organization, hence they were able to give the strengths and weakness concerning daily running of the organization. Preference to the sample is considered so by a researcher due to the reason that, the area of the study is faced by the constant of infrastructure, together with the in adequate of time and finance.

3.6 Sampling Framework

This would be done in order to get the sample population to be involved in data collection. Sampling procedures followed after obtaining a number of reasonable numbers of respondents according to the age, status and being gender balance in the respective agency; Mlele District Council. Sampling is a procedure a researcher uses to gather people, places, or things to a study.

3.7 Sampling Techniques

Sampling is the procedure a researcher uses to gather people places or things to study. It is a process of selecting group containing elements representative of the characteristics found in the entire group (Orodho and Kombo 2002). A researcher has used two types of sampling as simple random sampling technique and purposive sampling technique.

3.7.1 Simple random Technique

This method is referred to as simple random samplings as there are no complexities are involved. All you need is a relative small, clearly defined population to use this method. Its advantages are; firstly the sample yields research data that can be

generalized to a large population. Secondly it permits the application of inferential statistics to the data and provides equal opportunity of selection for each element of the population. Thirdly it provides an equal chance of being selected as a member of the sample (Kombo 2006: 69). This technique we be used for selecting the workers or Operators.

3.8 Data Collection Methods

Data refers to raw facts and other relevant materials of the part and present on a particular phenomenon. Data produce information when processed leading to meaningful context. There are primary and secondary data.

3.8.1 Primary Data

Primary data refers to the information gathered directly from respondents Kothari (2004). Primary data is important for all areas of research because it is unvarnished information about the results of an experiment or observation. It is like the eyewitness testimony at a trial. No one has tarnished it or spun it by adding their own opinion or bias so it can form the basis of objective conclusions. The instrument, which used o collect, is questionnaire.

3.8.1.1 Questionnaires

A set of logical written questions was administered to selected individuals. There was single set of questionnaire that used for both member of management and other respondents. For questionnaire advantages are that; firstly covers wide area, and secondly there no bias on the side of a researcher.

3.8.1.2 Secondary Data

Refers to those already carried out by someone else. This involves internal sources and external sources as well. Internal as company's sale record, operational balance sheet, and cash flow statement external as agencies, government departments, trade association's libraries and Tanzania statistics Bureau.

3.9 Data Analysis

The collected data was analyzed by the use of tables and instrument used to analyze this data was manual approach.

3.10 Scope and Limitations of the Study

The Research was conducted at Mlele District council Katavi region. Furthermore the researcher was able to come across various constrains one of them being poor infrastructure leading to poor transport to reach the respondents. The roads are rough and villages, wards, and divisions are very scattered as there were very few interconnections between them. Another constrains or limitation is inadequate fund as the tasks for fund requirement were many enough. Apart from that the respondents were so busy with their various activities causing to spend very few time to respond to the questionnaires.

CHAPTER FOUR

DATA ANALYSIS /PRESENTATION, AND DISCUSSION OF THE STUDY FINDINGS

4.1 Introduction

This chapter deals with data analysis presentation, interpretation and discussion of the research findings. As the aim of the study was to investigate the contribution of human resource planning in public sector towards Institutional performance Mlele district council being a case study. In this study the sample of 50 (fifty) respondents were involved.

The analysis of data was based on the study objectives, which are, to find out the importance of HRP in public sector, to identify the problem faced by MDC in implementing HRP, to examine the impact of poor human resource planning in public Institutions towards its performance. Indeed the responses are presented and interpreted in frequencies, percentages by using, tables. In this study, four categories of respondents were involved, these are workers, supervisors, middle level managers, as well as top level managers.

4.2 Demographic Characteristics of Respondents

The demographic characteristic of respondent is concerned with gender, working experience education level as well as their position in an organization. However there demographic characteristics are used to determine the relationship or influence of human resources planning towards Institutional performance.

4.2.1 Gender of Respondents

The question aims to understand between the two genders which one has more inputs in the planning of human resources that determine the performance of the particular organization.

Table 4.1: Gender Distribution of Respondents

Total Sample	Sex	Frequency	Percent
N=50	Male	23	46%
	Female	27	54%
	Total	**50**	**100%**

Source: Field Data (2014)

Table 4.1 shows that, respondents who are male were 23(46%) and female respondents were 27(54%). Hence the study shows that most of respondents were female, this implies that there were more female employees but this does not have an impact in the performance of the organizations.

4.2.2 Working Experience of the Respondents

The question aims to identify the experience of the workers in the organization. This is determined by the duration workers has been in the organization as this helps the employee to have much information about the organization with regards to the planning of human resources affecting its performance.

Table 4.2: Working Experience Distribution of Respondents

Total sample	Working Experience	Frequency	Percent
N=50	Less than two years	3	6
	Two years	0	0
	More than two years	47	94
	Total	**50**	**100**

Source: Field Data (2014)

Table 4.2 shows that 3(6%) respondents were having working experience of less than two years, those of 2 years working experience were 0(0%) and respondents of working experience of more than two years were 47(94%). Thus the statics shows that large percent of employees in an organization stayed for more than two years, having enough working experience. This implies that the employees tends to turnover before the duration stay of 2years after that they remain on the organizations

4.2.3 Position of Respondents in the Institution

The question aimed at identifying the position of the respondents in an organization. This helps to understand which position have accumulated majority of respondents hence to have a collative relationship between human resource planning of the Institution and its performance.

Table 4.3: Position Distribution of Respondents

Total sample	Position	Frequency	Percent
N=50	Top level managers	1	2
	Middle manager	10	20
	Supervisors	15	30
	Workers	24	48
	Total	**50**	**100**

Source: Field Data (2014)

Table 4.3 shows that 1(2%) out 50 respondents came from the top level of management 10(20%) of respondents were from middle level of managers, 15(30%) of respondents were from supervisors and 24(48%) of the respondents were from the works or operators. Thus the study reveled that most of the respondents were

belonging from the category of workers or operators, showing that these are the main group contributing to the performance of a particular institution, due to majority and long stay.

4.2.4 Education Level of the Respondents

The question aimed at knowing that, which cadre of education exists more in the organization determining the relationship of human resources planning and its performance.

Table 4.4: Education Level Distribution if Respondents

Total Sample	Education level	Frequency	Percent
N=50	PhD	0	0
	Master Degree	5	10
	Bachelor Degree	10	20
	Diploma	25	50
	Certificate	9	18
	Others	1	2
	Total	**50**	**100**

Source: Field Data (2014)

Table 4.4 shows that 0(0%) out of 50 respondents were PhD holder, means no respondent with that education level, 5(10%) were masters degree, 25(50%) were diploma holder, 9(18%) of respondent were having certificate and other qualification were 1(2%). Thus the study shows that majority of the respondents were diploma holder participating in performance of the institution. This implies that the institution have more workers such level of academic qualification showing deficit of degree level and master level due to turnover or un employer ability.

4.3 Verification/Validation of Research Questions (Findings for Solutions of the Research Questions)

4.3.1 Verification of Research Question Number One

4.3.2 Statistical Data and Response on Importance Awareness of Human Resource Planning

In any work organization the planning of human resource and its awareness to employees, plus involvement and participation in various activities carried out in an Institution, is very essential towards better attainment of the Institutional goal. Thus if there exists absence of employees awareness and involvement on the importance of human resource planning, then this will lead to job dissatisfaction, hence poor general performance of the Institution.

Table 4.5: Importance of Awareness on Human Resource Planning in a Case Study

Total Sample	Categories	Frequency	Percent
N=50	Yes	46	92%
	No	4	8%
	Total	**50**	**100%**

Source: Field Data (2014)

Table 4.5 shows that 46(92%) out of the respondents are aware with the planning of human resources and its importance, and 4(8%) of respondents out 50, were not aware of the planning of human resources, and its importance. Thus it reveals that most of the employees are aware of the planning of human resources and its importance. This implies that the in adequacy of HRP at a great coverage is contributed by the executive either of the district level top management or the central government and its respective ministries.

4.3.3 Do You Think Human Resources and its Plans are Given Enough Priority

The impact of not giving enough or adequate priority of human resource planning in enhancing effective performance continue to be serious problem in organizations and country as a whole. Therefore this research mainly investigates the impact of human resource planning towards Institutional performance, and it's extended of prioritization in particular Institution.

Table 4.6: The Priority of Human Resource Planning

Total sample	Categories	Frequency	Percent
N=50	Yes	18	36%
	No	32	64%
	Total	50	100%

Source: Field Data (2014)

Table 4.6 shows that 18(36%) of 50 respondents said that human resource and its plans are given priority enough giving the following reasons. Firstly there is yearly reporting of human resources from each department. Secondly there exists long and short term plans for human resources and its control. Thirdly there is some efforts from human resources compensation with various incentives, and lastly the gap for human resource on every department is known but poor efforts in fulfilling such gap.

On the other side, findings shows that 32(64%) of the respondents said that human resources and its plans are not given enough priority due to the following reasons that: They see that the problem persists for several years. Secondly there are no vivid efforts from top management to find the permanent solution for the problem. Also after observing the main cause for persistence deficit of human resources is poor

working environment then, there is no obvious measures taken by top management to retain those quitting employees.

Thus the statistics show that large number of people or respondents think that human resource and its plans are not given priority enough since the problem of deficit persist for several years. This implies that the district top manager and the central government a whole do not take much consideration on HRP in its public Institution basing on HRP and replacement charts.

4.3.4 What are the Importance of Human Resource Planning

In any work institution human resources is the vital resource when it is well planned and implemented. Human resources enable, the operationalization of the institutional objectives that originate from strategic plan of the Institution. The following are the given importance of human resources planning given by 50 respondents. Enables the institution to maximize the utilization of human resources, and better achievement of the institutional goal. Furthermore enables the institution to economize on its recruitments, facilitating successful exit plan for both parties. Nevertheless the organization is increased its information base for human resources department and others. Also enables institution make use of effective and efficient labour market. For elaboration on importance is as follows:

(i) It enables the organization to maximize then utilization of its human resources. Almost all the time, the organization has the right numbers and quality of employees for its jobs, thus eliminating idle labour power, and overwork if employees.

(ii) It enables a better achievement of the institutional objectives by ensuring that management effort are made in good tie to avail the requisite labour power for the institutional performance processes.

(iii) It enables the institution to economies on its recruitment function. An institution with poor or without human resources planning wastes money hiring the wrong numbers or quality of employees. Such an institution also cannot screen and validate the applicants' qualifications property and therefore compels the institution to invest in extravagant additional training for the new recruits before they can work at anticipate performance standards.

(iv) It enables the institution to organize successful exit plans for the advantages of the employees and the institution. Work organizations with poor or without human resources planning cannot put in place employee succession pro grammes that prepare younger staff to take over from retiring staff; they cannot give retiring staff useful preparations to meet their anticipated performance obligations to retiring employees.

(v) It increases the institutional information base to the advantage of the human resources department and other departments. Such information forms a basis for correct decisions in the implementation of core and non-core human resources programmes

(vi) It enables the institution to make a more effective and efficient use of the labour market. An institution with good human resources planning, approaches the labour market at the right time and knows what it is looking for in terms of quantities and quality. On the internal labour market, the human resources

department accurately and at a press of button the available candidate, their ability particulars from which to proceed to determine the institutional readiness to spare them for the vacant job. In both the internal and external market, the human resources departments can accurately describe the human and industrial engineering requirements of the job so that it is able to attract the right applicant.

(vii) It facilitates career or personal development. The institution with poor or without human resources planning makes it difficult for its employees to make plans for their personal development, because they cannot clearly identify career path, career opportunities, and conditions for their access. As a result the more marketable and ambitious employee seek employment in other institution, which has clear career opportunities.

Table 4.7: Importance of Human Resources Planning

Total sample	Categories	Frequency	Percent
N = 50	It enables the utilization if HR at maximum level	4	8%
	It enables a better achievement of the organizational objectives	15	30%
	It enables an organization to economize on its recruitment function	9	18%
	It enables an organization to organize a successful exit plans.	10	20%
	It increases the organization's information base.	6	12%
	It enables the organization to make a more effective and efficient use of the labour market.	5	10 %
	It facilitates career or personal development.	1	2%
	TOTAL	**50**	**100**

Source: Field Data (2014)

Table 4.7 show that 4 (8%) said that HRP enables the utilization of HR at maximum level, 15 (30%) said that HR enables a better achievement of the organizational objectives, 9(18%) said that HRP enables the institution to economize on its recruitment, 10 (20%) said that HRP enables the institution to organize a successful exit plan. 6 (12%) said that HRP increase the organ's information base, 5 (10%) said that HRP enables institution to make more effective and efficient use of the labour market. 1 (2%) said that HRP facilitate career or personnel development. Thus the statistics show that large number of respondents sees that the great importance of HRP is that, it enables the better achievement of the institutional objectives.

4.4 Verification of the Research Question Number Two

To examine problems faced by a case study in the implementation of human resources planning.

4.4.1 Is there Any Problem do you Come Across in Human Resources Planning and its Implementation?

This question intended to examine to what extent does the problems exists in the planning of human resources and its implementation. Thus the following are the responses from the respondents.

Table 4.8: Problems Faced By Respondents in Human Resources Planning and its Implementation

Total sample	Categories	Frequency	Percent
N=50	Yes	43	86%
	No	7	14%
	Total	**50**	**100%**

Source: Field data (2014)

Table 4.7 show that 43(86%) of respondents said that there are some problems exists during human resource planning and its implementation. But 7(14%) of respondents said no since they are not sure whether there is human resource planning exists in the institution or not.

Thus most of respondents agreed that there are some problems during human resources planning and its implementation giving the following reasons; in adequate budget for future demand and supply, hence poor implementation. Some more problems are insufficient top management support, insufficient funds, and shortage of expertise as well as inactive Human Resource Department.

On the other hand they said there is no enough effort for district top management in implementing the plans. This implies that the workers or operator and supervisor are ready to provide the co-operation on planning and the implementation of HR, but they face the obstacles from the top level of district management and the central government due to their in adequate commitment.

4.4.2 What are the Causes of these Problems

This question were asked to respondents in order to know their understanding of the causes of the problems in the planning of human resources and its implementation. The following were the responses, firstly is inadequate budget and fund for planning and different activities during its implementation. Also they mentioned the poor support from ministries and central government as a whole. Furthermore lack of enough commitment for top management on the implementation of the plans.

Table 4.9: Causes of the Problems of Human Resources Planning

Categories	**Frequency**	**Percent**
Inadequate budget and fund	33	66%
Poor support from ministries and central government.	7	14%
Lack of enough commitment from top management.	10	20%
TOTAL	**50**	**100**

Source: Field Data (2014)

The findings shows that 33(66%) of respondents said that the cause of the problems of HRP is inadequate budget and fund 7(4%) said that the cause is poor support from ministries and central government. 10 (20%) of respondents said that the cause is lack of enough commitment from top management. Therefore this reveals that majority of respondents suggest that the major, cause of the problems of HRP is inadequate budget and fund. Hence the implication is that whenever there is adequate budget and fund the problems of HRP are overcomed at a great coverage.

4.4.3 What Measures Should be Taken in Order to Overcome the Problem of Human Resource Planning and its Implementation?

This question were asked in order to know the measures proposed by respondents for measures to overcome the human resources planning. The measures proposed by respondents are as follow: Firstly is the top management of the case study to be creative on imposing measures on how to retain their employees. Also ministries and central government to be sensitized on supporting the local government in terms of finance and cooperation. Not only that but also the district council top managers to increase their commitment in the implementation of the plans by having the organizational citizenship spirit.

Table 4.10: Measures to Take so as to Overcome the Problem of Human Resource Planning

Total sample	Categories	Frequency	Percent
N= 50	Top managers to be creative on imposing measures to retain employees.	18	36%
	Ministries and central government to support local government in terms of finance and cooperation.	10	20%
	District councils top managers to increase their commitment in the implementation of the plans.	22	44%
	TOTAL	**50**	**100**

Source: Field Data (2014)

Table 4.10 shows that 18 (36%) proposed the measure to take as to overcome the problems of HRP is that top managers to be creative on imposing measures of retaining employees. 10 (20%) of respondents said that the measure to take is that the ministries and central government to support local government in terms of finance and cooperation. 22 (44%) of respondents said the measure to take is the District council to managers to increase their commitment in the implementation of the plans. Thus it reveals that the majority if the respondents suggested that the first and foremost measure to be taken is the District council top managers to increase their commitment in the implementation of the plans. Therefore the implication is

whenever the top managers of the particular organization gets committed in the implementation of their activity and plans, then automatically a great coverage of overcoming HRP problem is exercised.

4.5 Verification of the Research Question Number Three

To examine the effects of human resources planning in public organization

4.5.1 What are the Effects to The Institution Due to Poor Planning of Human Resources?

In any work institution human resource play a great role in implementing objectives of a particular institution. Thus its performance will be determined with how effective is the planning of human resources. Hence respondents gave the following response on the effect of human resource when it's poorly planned. Firstly is poor productivity and profitability of the organization as the resources to implement various activities in order to meet its objectives are inadequate. Further more the institution is unable to economize on its recruitment as well as to organize a successful exit plan for both parties.

On the other hand respondents said that, the institution is unable to increase its information base, hence unable to identify the areas of surplus or deficit. Lastly as the effect exists the increase frequency of job turnover for employees, leading to persistent in adequacy of employees. The findings from Table 4.11 shows that 17 (34%) of the respondents said that effect to the organization due to poor planning of human resource is poor productivity and profitability of the institution. 7 (14%) of respondents said that the effect is that the organization is unable to economize on its

recruitment. Also 5 (10%) of them said the effect due to poor HRP is poor institution of the exit plans.

Table 4.11: Effects to the Institution due to Poor Planning of Human Resources

Table sample	Categories	Frequency	Percent
N= 50	Poor productivity	17	34 %
	The organization is enabling to economize on its recruitment.	7	14%
	Poor organization of the exit plans.	5	10%
	Existence of inadequate information base.	11	22%
	Increased frequency of job turns over for employees.	10	20%
	TOTAL	**50**	**100**

Source: Field Data (2014)

A part from that 11 (22%) of respondents said that the effect is existence of inadequate information base. Nevertheless 10 (20%) of respondents said the effect to institution due to poor HRP is increased frequency of job turnover for employees. This reveals that majority of respondents suggested that poor productivity and profitability of the institution is dominant effect due to poor HRP.

Then the implication is that whenever the HRP is poorly conducted the foremost and great coverage impact is poor productivity and profitability for the organization. Hence productivity and profitability to the institution is improved when HRP is effectively implemented and evaluated in all its aspects.

4.5.2 Do you agree that there is Coloration between Effective Human Resource Planning and Institutional Performance?

The aim of this part was to determine if there is relationship between effective human resource plans and institutional performance. In deed this is verified by the questioned asked the respondents as illustrated in the Table 4.12.

Table 4.12: Reasons for Coloration between Effective Human Resource Planning and Institutional Performance

Total Sample	Categories	Frequency	Percent
N = 50	Effective HRP enables high production leading to achievement of organizational goal.	20	40. %
	Effective HRP leads to overcoming the problem of frequency job turnover, go slow and absenteeism.	11	22%
	Effective HRP enables the organization to overcome the deficity of employees, then increasing its performance.	19	38%
	TOTAL	**50**	**100**

Source: Field Data (2014)

The Table 4.12 shows that 20(40%) of respondents gave the reason for coloration between effective HRP and institutional performance is effective HRP enables high production leading to achievement of institutional goal. 11 (22%) of respondents said the reason is effective HRP leads to overcoming the problem of frequency job turnover, go slow, and absenteeism at work place. Also 19 (38%) of respondents gave the reason that effective HRP enables the institution to overcome the deficity of

employees, then increasing its performance. This reveals that majority of respondents agrees on coloration between effective HRP and institutional performance giving the reason of effective HRP enables high production leading to achievement of institutional goal. Due to that the implication us effective HRP goes hand-to-hand with high organizational performance, hence managers of particular organization should adhere to effective HRP in order to achieve high in their daily activities.

Table 4.13: Coloration between Effective Human Resources Planning and Institutional /Performance

Total sample	Categories	Frequency	Percent
N=50	Yes	47	94%
	No	3	6%
	Total	**50**	**100%**

Source: Field Data (2014)

The findings shows that 47(94%) of respondents said that there is colorations between effective human resources planning and the institutional performance. But 3(6%) respondent rejected, said that they are not aware of that. Therefore this reveal that majority of the respondents agree that there is coloration between effective human resources planning and the performance of particular institution. This implies that whenever there is proper and effective HRP automatically will result in good out put due to effective and efficient performance of particular institution.

4.7 If Yes, Give the Reasons

The respondents gave the reasons for the coloration of the two variables as follows: firstly is that if the planning is effectively done, enables the effective production

leading to achievement of organization goal. Also it enables to over come the problem of frequency job turnover, go -slow and absenteeism at workplace. Nevertheless the institution is in position to overcome the deficit of employees, hence increasing its performance.

4.7 Recommendation Offered by Respondents

These questions intended to give the government advice concerning with what it is supposed to do in public sector in order to improve the planning of human resources in order to enhance the performance of these particular institution.

The respondent's comments were

Central government and ministries to provide effective support

The central government in collaboration with its ministries should provide the required support in terms of finance and cooperation to the local government and other public institution in order to ensure the effective implementation of human resource planning. By doing so the great extend of the task will be fulfilled.

Introduce and improve measures on relating employees

So long one of the major reason for distributing human resource planning is persistent job turnover, especially in remote areas as that of a case study. The government should introduce some incentives as to retain those employees. This because of poor infrastructure and the general working conditions, as accommodations, power for lighting, health services and water. Thus when the government improves such services automatically the employee will stay long at the area as per plan of human resources.

On the other hand the respondents committed that the government should introduce a special package for the peripheral remote districts and regions as that of a case study, so as to make employees stay longer in those areas, hence reducing or eradicating the problem of persistent job turnover.

The District top management should increase commitment

The District executive Director, the council human resource officer, in collaboration with the heads of departments, should integrated accordingly the strategic plan, the human resources plan, to the operation plan, so as to know the total Human Resource demand differentiating with the Net Human Resource in order to know the gap, as this will lead to introduction of the required program for human resources planning such as recruitment training and development as well as job design accordingly. Thus the respondents said that the top management should be in a position to do that, and increase their commitment in the implementation of such plans by having the so-called organizational citizenship.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter summarize the research findings as per each research question as discussed in the previous chapter, recommendation offered by respondents as well as the demographic characteristics of respondents in relation to the impact of human resources planning in public sector towards institutional performance as discussed in chapter four.

5.2 Summary of the Study Findings

In this study research questions have been used to identify the impact of Human resources planning in public sector towards institutional performance. The following are the research questions, which have been used in this study.

(a) What is the importance of human resources planning in Mlele district council?

(b) What are the problems faced by Mlele district council in the implementation of human resources planning?

(c) What are the effects of human resources planning in public institution?

According to data findings, analysis, interpretation and discussion, shows that human resources planning has strong relationship with the performance of a particular institution, and shrives peripheral remote areas of the country as that of a cases study. Human resources planning its impacts are to the individual employee, the institution and the country as a whole. Never the less finding reveled that workers or operators are aware of HRP and its importance to the institution, but district management together with the central government should increase the commitment.

Thus whenever there is proper and effective HRP automatically will result in good out put due to effective and efficient performance of an institution. On the other hand in order to fulfill the above stated purpose, top district management, the central government, and their respective ministries to be creative and increase commitment in daily planning and implementation of HRP.

5.3 Conclusion

As for the solution obtained from the research questions and recommendations offered by respondents, them the conclusion is established here under. Conclusively, in the context of human resources planning is the source of in effective performance of public sector institution as elaborated by findings and effects more the institutions within peripheral regions together with the incorporated district council. It affects all levels of employees from top managerial level to the lower level that of operators, thus leading to poor performance of the institution.

5.4 Recommendation

The researcher has categorized study recommendation in two areas, which are recommendations to the central government together with their respective Ministries and District Councils as public institution.

Central Government and the Respective Ministries

The central government with their respective ministries should improve the provision of proper support to the local government and other public institution in the whole aspect of human resources planning in terms of finance, infrastructure, as well as effective cooperation in case of emergency and routine communication when

required. By doing so the respective public organization is in opposition to plan effectively on human resources that leads to an effective performance of a particular institution.

District Council Management

The District executive Director, the council human resource officer, in collaboration with the heads of departments, should integrated accordingly the strategic plan, the human resources plan, to the operation plan, so as to know the total Human Resource demand differentiating with the Net Human Resource in order to identify the gap, as this will lead to introduction of the required program for human resources planning such as recruitment training and development as well as job design accordingly.

Thus the respondents said that the top management should be in a position to do that, and increase their commitment in the implementation of such plans by having the so-called organizational citizenship. On the other hand the district council as a public organization should introduce some incentive to those remote areas as to retain employees to prevent them from persistent job turnover.

This because of poor infrastructure and the general working conditions, as accommodations, power for light, health services and water. Thus when the government improves such services automatically the employee will stay long at the area as per plan of human resources. On the other hand the respondents committed that the government should introduce a special package for the peripheral remote districts and regions as that of a case study, so as to make employees stay longer in those areas, hence reducing or eradicating the problem of persistent job turnover.

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APPENDICES

Appendix I: Questionnaires for Respondents

THE OPEN UNIVERSITY OF TANZANIA

P.OBOX 23409

DAR ESSALAM

Dear respondents,

I am Nesphor John Moyo from The Open University of Tanzania pursuing Masters degree in Human Resources Management. The aim of this questionnaire is to collect information on the Outcomes of Human Resources Planning towards Institutional performance in public sector. The information that will be gathered will be used to create good strategies in the planning of human resources to increase the performance of the organizations and are also for academic requirements. Your responses will be totally anonymous and the highest degree of confidentiality will be maintained. Therefore with genuine spirit I request you to answer the following questions honestly and openly as you can. It is my sincere hope that I will receive maximum cooperation.

PART I. GENERAL INFORMATION:

Fill in the blanks (Put √ where appropriate)

1. Sex

   (a) Male ( )

   (b) Female ( )

2. Position in an Institution (put √ where appropriate)

   (i) Workers or operators ( )

   (ii) Supervisors ( )

   (iii) Middle level managers ( )

   (iv) Top level managers ( )

3. Working experience (put √ where appropriate)

   (i) Less than two years ( )

   (ii) Two years ( )

   (iii) More than two year ( )

4. Education level

   (i) Phd ( )

   (ii) master level ( )

   (iii) bachelor degree ( )

   (iv) Diploma ( )

   (v) Certificate ( )

   (vi) Others ( )

PART II: SPECIFIC INFORMATION

A: Factors for effective implementation of Human Resource planning in Mlele district council.

5. Are you aware with the planning and implementation of human resources in public sector?

(a) Yes ( )

(b) No ( )

6. Do you think human resources plans and its implementation are given enough priority?

(a) Yes ( )

(b) No ( )

Give reasons

(i) ……

(ii) ……

(iii) ……

7. What are the factors for effective implementation of HRP?

(i) ……

(ii) ……

(iii) ……

(iv) ……

B: Relationship between HRP and Institutional performance in public sector.

8. Is there any relationship between human resource planning and Institutional performance?

(a) Yes ( )

(b) No ( )

If the answer is Yes/No, Give reasons

(i) ……

(ii) ……

(iii) ……

(iv) ……

9. What are the factors contributing to such relationship?

(i) ……

(ii) ……

(iii) ……

(iv) ……

(v) ……

10. What measures should be taken in order to comprihence the Institutional performance due human resource planning?

C: Effect of human resource planning in public Institution

11. What are effects to the Institution due to poor planning of human resource?

(i) ……

(ii) ……

(iii) ……

(iv) ……

12. Do you agree that there is coloration between effective human resource planning and Institutional performance?

    (a) Yes ( )

    (b) No ( )

If the answer is Yes/No, Give reasons

(i) ……

(ii) ……

(iii) ……

(iv) ……

THANKS FOR YOUR CO-OPERATION