EFFECT OF EMPLOYEE RESOURCING STRATEGIES ON THE PERFORMANCE OF COMMERCIAL BANKS IN KENYA.

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This paper will examine the effect of employee resourcing strategies on the performance of commercial banks in Kenya.

ABSTRACT

During the last decade, the Human Resource Management (HRM) field has shifted from a micro focus on individual HRM practices to a debate on how HRM as a more holistic management approach may contribute to the competitive advantage of the organization. The shift from examining single HRM practices to systems of practices entails focusing on the interrelationship between the various elements of the HRM system. This has created a lot of interest on the specific effect of human resources management strategies on performance. However, review of available literature indicates a serious lack of empirical studies designed to investigate whether a good alignment between human resources management and firm strategy has a positive or negative effect on performance of commercial banks in Kenya. This has led to a high desire by bank managers to know the contribution of human resource strategies to performance. This study, therefore, sought to investigate the effect of employee resourcing strategies on the performance of commercial banks in Kenya. The research adopted a mixed method approach which consisted of both qualitative and quantitative approaches. This allowed the two approaches to complement each other for better results. Specifically the study adopted the survey method. The study targeted a population of 46 banks and 2,738 employees who included: the CEOs, HR managers, Operations managers and other employees. The Nairobi head office of each bank was purposively sampled since strategies and policies are made at the headquarters and then cascaded to the branches. To ensure representation of the various subgroups in the population a sample of 349 employees was selected using stratified random sampling. Data was collected using self-administered questionnaires and interviews. Statistical data analysis involved first editing and coding the questionnaire and interview responses;

tabulating the data; and then performing several statistical computations including averages and percentages. Statistical computer software (SPSS and Ms Excel) were also used in data analysis. Analyzed data was then presented using tables, pie charts and percentages. Analyzed data was interpreted to get the meanings. From this study it was found that employee resourcing (recruitment, selection, induction and human resource planning) strategies have a significant positive effect on performance of commercial banks in Kenya. The study established that banks are currently emphasizing on the recruitment of people with high academic qualifications. Therefore, bank performance is influenced by specific HRM related actions. From this study it is concluded that recruitment, selection, induction and human resource planning strategies can combine to enhance firm performance. Based on the findings, it is also concluded that there is a positive relationship between strategic employee resourcing and employee performance among commercial banks in Kenya. The study recommends that commercial banks should embrace the use of employee resourcing strategies that are linked with the overall banks strategy. Banks also need to develop and document strategies for recruiting, selection, induction and human resource planning in order to enhance employee and organizational performance.

INTRODUCTION

Human resources are a significant organizational asset if properly used and managed. The application of appropriate strategies for the development of human resources can lead to improvement of corporate performance both in the short and long term. Commercial banks have invested heavily on the human resources over the last decade.

Statement of the problem

The banking sector in Kenya has over the years faced a number of challenges including increasing competition, increased regulation by the government and high rate of technological growth especially the mobile phones that now offer banking services. The rapid growth of banks, increase in environmental variability and degree of competition, acute shortage of qualified labor and the corresponding increase in labour turnover and costs of employee replacement have forced commercial banks in Kenya to aggressively compete for the best employees.

The shift by commercial banks in Kenya to strategic management has created a lot of interest on the effect of specific HRM strategies on organizational performance. Many studies have shown a positive relationship between HRM strategies and performance in the manufacturing sector (Huselid 2007; Armstrong & Baron, 2009; Katou, 2008; Ahmad & Schroeder, 2003; Bae & Lawler, 2000; Batt, 2002; Delery & Doty, 1996; Guthrie, 2001; Gardner & Moynihan, 2003). Despite these findings most SHRM studies have been characterized by lack of a solid theoretical foundation explaining the mechanisms causing the observed enhanced performance. Specifically, so far there is no consistent agreement on how to measure HRM strategies and what to measure with regards to organizational performance. The available literature also indicates a serious lack of empirical studies designed to investigate exactly how a good alignment between HRM and firm strategy leads to improved performance. Researchers, for example, Purcell (2004); Gerhart (2005) and Katou (2008) have termed the link between HRM and organizational performance to be a ‘black box’, that is, lack of clarity regarding ‘what exactly leads to what’.

Available literature highlights that most of the studies examining the relationship between HRM and organization's performance have been conducted in the manufacturing sector mostly in the United States (Huselid, 1995; Guest, Michie, Conway, & Sheehan, 2003). Very few studies have been done in Kenya particularly in the banking sector.

There is, therefore, a great need for additional evidence to support the HRM-performance relationship from different sectors and contexts. It is from this background that this study was conducted in order to investigate the effect of employee resourcing strategies on the performance of commercial banks in Kenya and provide a better understanding of the relationship between the variables.

Objectives of the study

To examine the extent to which employee resourcing strategies affect the performance of commercial banks in Kenya.
To investigate the extent to which recruitment strategies affect the performance of commercial banks in Kenya.
To investigate the extent to which selection strategies affect the performance of commercial banks in Kenya.
To investigate the extent to which induction strategies affect the performance of commercial banks in Kenya.
To investigate the extent to which human resource planning strategies affect the performance of commercial banks in Kenya.

Research hypotheses

H0: Employee resourcing strategies do not have a significant effect on the performance of commercial banks in Kenya.
HA: Employee resourcing strategies have a significant effect on the performance of commercial banks in Kenya.

Research question

i. To what extent do employee resourcing strategies affect the performance of commercial banks in Kenya?

ii. To what extent do recruitment strategies affect the performance of commercial banks in Kenya?
iii. To what extent do selection strategies affect the performance of commercial banks in Kenya?
iv. To what extent do induction strategies affect the performance of commercial banks in Kenya?
v. To what extent do human resource planning strategies affect the performance of commercial banks in Kenya?

Significance of the study

The study results will enable the management to establish the effects of employee resourcing strategies on employee performance, hence identify the areas where improvements can be done. It will also help the management in planning for the development and implementation of effective and efficient resourcing strategies that will lead to improved performance of the banks. This will in turn help in ensuring economic growth and stability of the country.

Scope of the study

The study was done covering all the commercial banks in Kenya. However the headquarters of each bank branch was purposively sampled for the study. The study was done mainly in Nairobi province where the researcher was able to get all the relevant officers. This included Bank CEOs, HR Managers, Operations managers and other employees. The study was only limited to employee resourcing strategies, their development, use and effect on organizational performance in the banking sector in Kenya.

LITERATURE REVIEW

Tyson (1995) as quoted in Torrington et al (2005) described human resource management strategy as the intentions of the corporation both explicit and covert, towards the management of its employees, expressed through philosophies, policies and practices. Effective human capital strategy and practices are directly related to higher levels of financial and market success. Strategic human resource management has three theoretical approaches (Torrington et al, 2005; Armstrong, 2009). The first is founded on the concept that there is one best way of managing human resource in order to improve business performance. The second is based on the need to align employment policies and practices with the requirements of the business strategy in order that the later will be achieved and the business will be successful. The third is derived from the resource based view of the firm and the perceived value of the human capital. This approach is grounded in the nature of the reward–effort exchange and, more specifically, the degree to which managers view their human resources as an asset as opposed to a variable cost.

An further analysis of the literature on the HRM-performance relationship by Boselie, Dietz and Boon (2005), found that the theoretical frameworks which dominate this field are the resource-based view (i.e., HRM influences performance according to the human and social capital held by the organization) (Barney, 1991), the AMO theory (i.e., HRM influences performance in relation to employees' Ability, Motivation and Opportunity to participate) (Appelbaum, Bailey, Berg, & Kalleberg, 2000; Katou, 2008) and the "contingent framework" (i.e., HRM influences performance in relation to contingent factors such as business strategies).

The Resource Based View (RBV)

An organization's resources can be divided into tangible (financial, technological, physical and human) and intangible (brand-name, reputation and know-how) resources. Barney (1991) argued that resources lead to sustainable competitive advantage when they are valuable, rare, inimitable, and non substitutable. Resources such as technology, natural resources, finances and economies of scale can create value, however the resource based theory argues that this sources of value are available to all and easy to copy, compared to complex social systems like human resources.

The resource based view of the firm is a model of firm performance that focuses on the resources and capabilities controlled by a firm as sources of competitive advantage (Perce and Robinson, 2007). The genesis of the resource-based model can be traced back to Selznick (1957), who suggested that work organizations each possess 'distinctive competence' that enables them to outperform their competitors, and to Penrose (1959), who conceptualized the firm as a 'collection of productive resources'. This view focuses on the quality of the human resource available to the organization and their ability to learn and adapt more quickly than their competitors. These resources include the human resources such as the training, experience, judgments, intelligence, relationships and insights of individual managers and workers in an organization. The sum of people's knowledge and expertise, and social relationships, has the potential to provide non-substitutable capabilities that serve as a source of competitive advantage (Cappelli & Singh, 1992). Perce and Robinson (2007) argue that the resource based view of a firm helps improve upon the SWOT analysis by examining a variety of different yet specific types of resources and capabilities any firm possesses and then evaluating the degree to which they become the basis for sustained competitive advantage based on industry and competitor considerations. Thus theoretical work on the resource based view of the firm (Barney, 1991; Perce and Robinson, 2007) supports the notion that HRM may be an important source of competitive advantage.

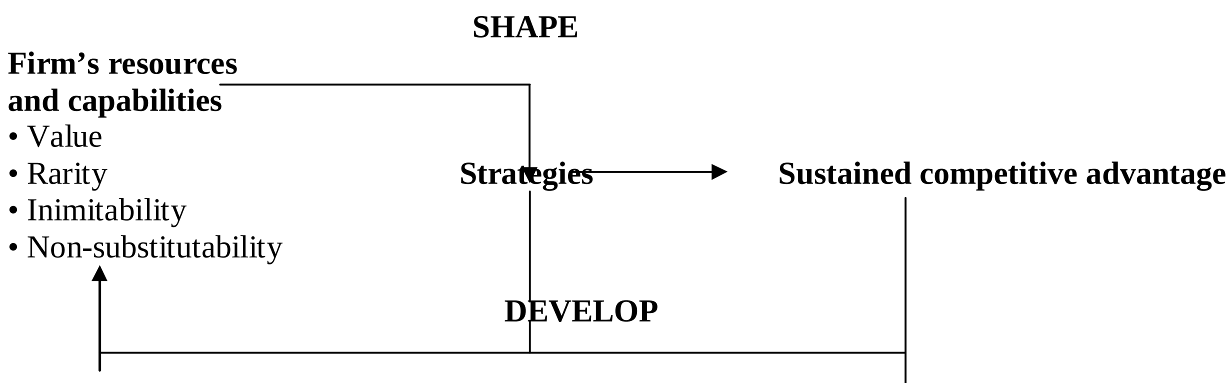

Fig 1. Relationship between resource endowment, strategies and sustained competitive advantage
Source: Based on Barney (1991) and Hill and Jones (2001)

Employee resourcing strategies

According to Noe (2008) staffing strategy refers to a company's decision regarding where to find employees, how to select them and the mix of employee skills and statuses (temporary, full time e.t.c). Employee resourcing strategies exist to provide the people and skills required to support the business strategy; it is concerned with any means available to meet the needs of the firm for certain skills and behaviour (Armstrong, 2010). This role has long been regarded as part of the domain of personnel management and personnel textbooks conventionally describe resourcing as a passive, technical procedure - a matching of available candidates to the requirements of the organization. The objective of HRM resourcing strategies is to obtain the right basic material in the form of workforce endowed with the appropriate qualities, skills, knowledge and potential for future training (Armstrong, 2010). The selection, recruitment of workers best suited to meeting the needs of the organization ought to form a core activity upon which most other HRM policies geared towards development and motivation should be built (Armstrong, 2010). Organizations can take one of three actions to fulfill their employee resourcing: 1) reallocate tasks between employees, so that existing staff take on more or different work. 2) re allocate people within the company; and 3) recruit new staff from the external job market. The emphasis is on flexible working practices, requiring multi-skilled workers and sophisticated assessment and development programmes.

Gaining competent employees at all levels of the organization is more than a matter of training. It stems from changes in recruitment and selection philosophy (Huselid, 1995). Staffing the most competent employees, staffs and managers is a continuous challenge for the human resource management department. It influences training. Somenfeld and Peiper (1988) as quoted in Noe (2008) say that two aspects of a company's staffing strategy influence training: the criteria used to make promotions and assignment decisions (assignment flow) and the places where the company prefers to obtain the human resource to fill open positions (supply flow). According to Johnson et al. (2006) recruitment is a key method of improving the strategic capability of an organization. Redeployment and redundancy planning are also important in organizations facing change.

To successfully face the increasing uncertainty and competitiveness what is required is performing employees to build performing organizations (Pattanayak, 2008). In order to ensure the on-going delivery of government programs and services, all sectors require a continuous supply of fully qualified people in the right positions at the right time. According to Noe (2008) deciding what skills new employees will be selected on and what skills the company will develop is another staffing strategy. The companies also need to motivate good employees to remain and work with the organization. Faced with this rapid change organizations need to develop a more focused and coherent approach to managing people. According to William and Kinicki (2008) when employment rates are high companies are desperate to attract, retain and motivate key people. They further mention that "even in tough economic times there are always industries and occupations in which employers feel they need to bend backwards to retain their human capital". Organizational behavior studies suggest that employee retention is dependent upon levels of organizational commitment. Research has established a direct link between employee retention rates and employee performance, for example Noe et al (2006). Thus there is need to generate satisfaction and loyalty among employees. Their study focused on the potential influence that human resources management (HRM) strategies have on organizational commitment levels among employees.

Researchers and scholars argue that excellent management of people is crucial to maintain a foothold in the market. According to Hitt, Ireland and Hoskisson (2001) people should be placed in positions that fit them best, this is based on believe that failure to properly allocate employees would result in forfeiture of the company's competitive position. Successful firms have ability and willingness to dismiss employees who engage in counterproductive behavior. This ensures that productive employees are not made miserable by supervisors or co workers who engage in unproductive, disruptive or dangerous behavior. Thus as explained by Noe et al (2006) job satisfaction and retention are related to organizational performance.

RESEARCH DESIGN AND METHODOLOGY

Research design

According to Kothari (2004) a research design stands for advance planning of the methods to be adopted for collecting the relevant data and the techniques to be used in their analysis, keeping in view the objective of the research and the availability of staff, time and money. This study adopted the mixed method approach utilizing both qualitative and quantitative methods. Qualitative approach was used to supplement and strengthen the quantitative aspects and provide an opportunity for the researcher to observe the application of HRM strategies first hand. The method adopted by this study was specifically a survey research**.**

Target population

The population of the study was all the headquarters of the 46 banks in Kenya. The study targeted the CEOs, HR managers, Operations managers and other employees of the commercial banks in Kenya. The total population targeted was 2,738 people located at the head quarters of the banks. This is because most of the strategic decisions of banks are made at the headquarters and then cascaded down to the branch levels. Hence the strategies at the headquarters are normally the same strategies used at the branches. The target population was stratified as shown in Table 1.

Table 1. Target population

Category	Population
CEOs	46
Operations managers	46
Human resources managers	46
Other employees	
Supervisors	920
Tellers	1400
Support staff	280
Total	2738

Sample design

According to Kothari (2004) a sample design is a technique or procedure that the researcher adopts in selecting items for a sample. It was not possible to study all members of the population since it would have involved tremendous amounts of time and resources (Mugenda & Mugenda, 1999; Kothari, 2004). As a result a sample was selected and studied to represent the entire population. An optimum sample of 349 employees, which fulfils the requirements of efficiency, representativeness (Kothari, 2004; Mugenda & Mugenda, 1999), reliability and flexibility, was selected based on cost, accepted confidence level and size of the population. This enabled the researcher to gain information about the population. The Yamane (1967) formula for calculating sample sizes was used to calculate the sample size at 95% confidence level and P = 0.5.

$$n = \frac{N}{1 + N(e)^2}$$

Where n is the sample size, N is the population size, and e is the level of precision.

$$N = \frac{2738}{1 + 2738/(0.05\times.05)}$$

$$N = \frac{2738}{1 + 2738/0.0025}$$

$$= 2738/\ 7.845 = 349$$

The CEOs, operations managers, and HR managers were purposely selected from each bank. Other employees were selected using stratified random sampling because this method enables the researcher to achieve the desired representation from the various subgroups in the population (Mugenda & Mugenda, 1999; Kothari, 2004; Cooper & Schindler, 2006). This according to Mugenda and Mugenda (1999) gives the researcher confidence that if another sample of the same size is selected the findings from the two samples will be similar to a high degree. This method also gives each employee in the organization an equal chance to be selected. The sample size is shown in Table 2.

Table 2 Sample selection

Population categories	Number	Sample
CEOs	46	46
Operations managers	46	46
Human resources managers	46	46
Other employees		
Supervisors	920	75
Tellers	1400	114
Support staff	280	22
Total	2738	349

Data collection instruments

Both primary and secondary data were collected. The major primary data collection instruments (information collected for the first time) that were used are questionnaires and interviews which were self administered. Secondary data (the already available data which had been collected and analyzed by someone else) was collected from relevant documentaries as well as company publications.

A standard questionnaire was used in order to produce accurate information. The questionnaire was constructed on the basis of closed and open-ended questions. This enabled the researcher to study the employee's perception on effect of HR strategies on performance. The researcher also used the likert scale type of questions. Since the research was done under some limitations, a combination of the said methods was used so that the collected data enabled effective analysis and presentation in an orderly logical manner.

Data collection procedures

Questionnaires were distributed to the respondents and duration of two weeks given to fill them. The researcher then made follow-up calls to ensure that adequate response was obtained from the respondents. To obtain data free from errors introduced by the research assistants it was necessary to supervise them closely as they collect and recorded information from respondents. This was done by the researcher.

In cases where the questionnaire had not been received after follow up telephone calls, additional copies of the questionnaire and a reminder letter were send to the respondents, followed by a final follow up telephone call. Interviews were conducted by the researcher only. Structured interview approach was used in order to ensure that only relevant data was collected.

Data analysis procedures

The collected data was processed and organized for statistical analysis. This involved first coding the responses; tabulating the data; and performing several statistical computations (i.e. averages, frequencies and percentages). To begin the data analysis process, descriptive statistics were calculated on the independent variables to summarize and describe the data collected. This helped in determining the extent of adoption of employee resourcing strategies in the banks. Inferential statistics were used to reach conclusions and make generalizations about the characteristics of populations based on data collected from the sample.

Validity and Reliability

An instrument is valid if it measures what it is intended to measure and accurately achieves the purpose for which it was designed (Patten, 2004; Wallen & Fraenkel, 2001). According to Patten (2004) validity is a matter of degree and no test instrument is perfectly valid. The instrument used should result in accurate conclusions (Wallen & Fraenkel, 2001). Validity involves the appropriateness, meaningfulness, and usefulness of inferences made by the researcher on the basis of the data collected (Wallen & Fraenkel, 2001). Validity can often be thought of as judgmental. According to Patten (2004) content validity is determined by judgments on the appropriateness of the instrument's content. Patten (2004) identifies three principles to improve content validity: 1) use a broad sample of content rather than a narrow one, 2) emphasize important material, and 3) write questions to measure the appropriate skill. These three principles were addressed when writing the survey items.

To provide additional content validity of the survey instrument, the researcher formed a focus group of five to ten experts in the field of HRM to provide input and suggestive feedback on survey items. Members of the focus group were senior employees of the banks and other employees who had worked in the sector for more than five years. Reliability relates to the consistency of the data collected (Wallen & Fraenkel, 2001). Cronbach's coefficient alpha was used to determine the internal reliability of the instrument. The survey instrument was tested in its entirety, and the subscales of the instrument were tested independently.

Ethical Issues

According to McNamara (1994) ethical concerns in research deal with voluntary participation, no harm to respondents, anonymity and confidentiality, identifying purpose and sponsor, and analysis and reporting. To help eliminate or control any ethical concerns the researchers made sure that participation was completely voluntary but this can sometimes lead to low response rate which can in turn introduce response bias (McNamara, 1994). To encourage a high response rate, Dillman (2000) suggests multiple contacts. For this study, up to five contacts were made per potential participant. To avoid possible harm such as embarrassment or feeling uncomfortable about questions to respondents, the study did not include sensitive questions that could cause embarrassment or uncomfortable feelings.

Harm could also arise in data analysis or in the survey results. Anonymity and confidentiality was exercised to protect a respondent's identity. A survey is anonymous when a respondent cannot be identified on the basis of a response (McNamara, 1994). Participant identification was kept confidential and was only used in determining who had not responded for follow-up purposes.

All prospective respondents knew the purpose of the survey and the organization that is sponsoring it. A cover letter was used to explain that the results of the study would be used in a dissertation as partial fulfillment for a Doctoral degree. The researcher also accurately reported both the methods and the results of the surveys to professional colleagues in the educational community. Because advancements in academic fields come through honesty and openness, the researcher assumed the responsibility to report problems and weaknesses experienced as well as the positive results of the study.

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Research hypotheses test

In order to achieve the objectives designed for this study, the following research hypotheses were formulated and tested based on the revelations in the review of literature concerning human resources management strategies and firms' performance. The statistical test results of the null hypothesis at 95% confidence level are as shown in the hypotheses that follow:

H0: Employee resourcing strategies do not have a significant effect on the performance of commercial banks in Kenya.

A regression analysis was used to test the null hypothesis that there is no significant effect of employee resourcing strategies on the performance of commercial banks in Kenya. The responses to this hypothesis are presented in Table 3. Since P(0.000) is less than alpha (.05), we reject the null hypothesis and conclude that with the obtained data, there is evidence of significant effect of employee resourcing strategies on the performance of commercial banks in Kenya (F (84.9, df=1, and $P<0.05$). This is consistent with Terpstra and Rozell's (1993) study of the relationship between recruiting/selection practices and firm performance, where they found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance.

From the study it was found that recruitment strategies have a high influence on performance. The specific strategies used in the staffing process, therefore, directly impact an organization success.

The survey by Adegoroye, Oladejo & Moruf , 2012 on the Strategic Human Resources Management practices in the Post Consolidated Nigerian commercial banks also found that the innovative recruitment and compensation practices were ranked high at influencing performance of banks. An effective staffing strategy requires in-depth planning for the recruiting process to ensure efficiency and generation of a qualified applicant pool and also ensure an optimal fit between employees and the strategic needs of the organization (Mello, 2006).

Table 3. ANOVA results on effect of employee resourcing strategies on performance

ANOVA(b)

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	40.439	1	40.439	84.876	.000(a)
	Residual	148.652	312	.476		
	Total	189.091	313			

a Predictors: (Constant), EMPLOYEE RESOURCING STRATEGIES
b Dependent Variable: PERFORMANCE

Answers to research question

To what extent do employee resourcing strategies affect the performance of commercial banks in Kenya?

A correlation analysis was used to establish the effect of employee resourcing strategies on the performance of commercial banks in Kenya. From the analysis of the data of the study it was found that there is a moderate positive correlation (r=0.462) between employee resourcing strategies used by banks and performance of commercial banks in Kenya. Resourcing strategies used explains a significant 59.3% (B=0.593, p=0.000) variance in the performance of commercial banks in Kenya. The results of the correlation analysis are presented in Table 4.
The regression model exemplified by the results is as shown below:

$$\mathbf{Y=0.9 + 0.593(x) + 0.159}$$

Table 4. Correlation results Relationship between employee resourcing strategies and performance

Coefficients(a)

Model		**Unstandardized coefficients**		**Standardized coefficient**		
		B	**Std. Error**	**Beta**	**T**	**Sig.**
1	(Constant)	.964	.159		6.053	.000
	Resourcing	.593	.064	.462	9.213	.000

Dependent Variable: PERFORMANCE

Employee resourcing strategies

When descriptive analysis was done for the question on how employee resourcing strategies affect the profits of commercial banks in Kenya, it was found that when the banks used the employee resourcing strategies the profits of the bank increased by 32%. The findings revealed a mean of 1.8662 and a standard deviation of 0.91208 and a variance of 0.832.

Table 5. Descriptive Statistics on the effect of employee resourcing strategies on profits

	Mean	Std. Deviation	N
Bank Profits	2.4076	.94213	314
Employee resourcing strategies	1.8662	.91208	314
Human Resource Planning strategies	1.8344	.84858	314
Recruitment strategies	1.7739	.81704	314
Selection strategies	1.7484	.76489	314
Induction strategies	1.9236	.62984	314

When correlation analysis for effect of employee resourcing on profits was done, a value of .012 was achieved. This shows that there is a significant relationship between employee resourcing and profits in commercial banks.

Statistics

		Employee resourcing strategies	Human resource planning strategies	Recruitment strategies	Selection strategies	Induction strategies
N	Valid	314	314	314	314	314
	Missing	25	25	25	25	25
Mean		1.8662	1.8344	1.7739	1.7484	1.9236
Std. Deviation		.91208	.84858	.81704	.76489	.62984
Variance		.832	.720	.668	.585	.397

Therefore employee resourcing is an important function of HRM within the banking sector. Proper utilization of human resources can improve organizational effectiveness. This finding is consistent with the findings by a study done by Zhu et al. (2005) which found a positive relationship between employee resourcing and organizational effectiveness. The objective of employee resourcing strategy is 'to obtain the right workforce endowed with the appropriate qualities, skills, knowledge and potential for future training.

According to Taylor, 1998, the major components of employee resourcing are staffing (recruitment and selection), performance and administration. The selection and recruitment of workers best suited to meet the needs of the organization therefore ought to form a core activity upon which most other HRM policies geared towards development and motivation can be built.

Correlations coefficient on employee resourcing strategies

		Profits	Employee resourcing strategies	Human resource planning strategy	Recruitment strategy	Selection strategy	Induction strategy
Profits	Pearson Correlation	1	.012	.049	.070	.081	.150(**)
	Sig. (2-tailed)		.838	.389	.214	.154	.008
	Sum of Squares and Cross-products	277.822	3.121	12.197	16.943	18.204	27.783
	Covariance	.888	.010	.039	.054	.058	.089
	N	314	314	314	314	314	314
Employee resourcing strategies	Pearson Correlation	.012	1	.694(**)	.332(**)	.103	.021
	Sig. (2-tailed)	.838		.000	.000	.069	.710
	Sum of Squares and Cross-products	3.121	260.382	168.045	77.503	22.433	3.790
	Covariance	.010	.832	.537	.248	.072	.012
	N	314	314	314	314	314	314
Human resource planning strategy	Pearson Correlation	.049	.694(**)	1	.600(**)	.315(**)	-.054
	Sig. (2-tailed)	.389	.000		.000	.000	.343
	Sum of Squares and Cross-products	12.197	168.045	225.389	130.242	63.917	-8.975
	Covariance	.039	.537	.720	.416	.204	-.029
	N	314	314	314	314	314	314
Recruitment strategy	Pearson Correlation	.070	.332(**)	.600(**)	1	.706(**)	-.040
	Sig. (2-tailed)	.214	.000	.000		.000	.481
	Sum of Squares and Cross-products	16.943	77.503	130.242	208.946	138.137	-6.427
	Covariance	.054	.248	.416	.668	.441	-.021
	N	314	314	314	314	314	314
Selection strategy	Pearson Correlation	.081	.103	.315(**)	.706(**)	1	-.060
	Sig. (2-tailed)	.154	.069	.000	.000		.290
	Sum of Squares and Cross-products	18.204	22.433	63.917	138.137	183.124	-9.038
	Covariance	.058	.072	.204	.441	.585	-.029
	N	314	314	314	314	314	314
Induction strategy	Pearson Correlation	.150(**)	.021	-.054	-.040	-.060	1
	Sig. (2-tailed)	.008	.710	.343	.481	.290	
	Sum of Squares and Cross-products	27.783	3.790	-8.975	-6.427	-9.038	124.166
	Covariance	.089	.012	-.029	-.021	-.029	.397
	N	314	314	314	314	314	314

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

Employee resourcing strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	138	40.7	43.9	43.9
	Agree	96	28.3	30.6	74.5
	Neutral	64	18.9	20.4	94.9
	Disagree	16	4.7	5.1	100.0
	Total	314	92.6	100.0	
Missing	System	25	7.4		
Total		339	100.0		

When data on the response to the statement that employee resourcing strategies lead to improved performance was analysed to obtain frequencies, it was found that 43.9% of the respondents strongly agreed while 30.6% agreed that employee resourcing strategies lead to improved performance. This translates to 74.5% of respondents who agreed that employee resourcing strategies lead to improved performance. Twenty point four percent (20.4%) of the respondents were neutral while only 5.1 percent disagreed with this statement. This shows that the majority of respondents strongly felt that employee resourcing strategies have a positive effect on profits. This means that if banks put a lot of emphasis on employee resourcing then they will achieve higher profits and general improved performance.

From the study it was also found that employee resourcing and development has a direct positive effect on employee skills (0.36). This is consistent with the findings of Katou and Budhwar, (2009). Thus from the study it was found that when the human resource practices are internally consistent and well integrated with business strategy, they help to develop a human resources pool that adds value to the firm, and in turn enhances firm profits. This supports the findings of Bae & Lawler, 2000 and Wright et al., 1995 who got similar results in their respective studies.

The study also found that employee needs were varied and differed according to each individual's circumstances. This suggests a need for a flexible system that would allow for the various and differing individual preferences be taken into account in the resourcing decision-making.

Recruitment strategies

When the statement that recruitment strategies lead to increase in profits was posed to the respondents, out of the 314 respondents, 44.9% strongly agreed; 35.0% agreed while 17.8% were neutral. Only 2.1% disagreed. This shows that the majority of respondents 79.9% agreed that employee recruitment strategies have a positive effect on the profits of commercial banks in Kenya. Correlation analysis of recruitment against profits revealed a value of .070. This shows that there is a significant relationship between the recruitment strategies and profits of commercial banks in

Kenya. From the study it was found that there is a positive relationship between recruitment practices and organisational profits ($r = 0.45$; $p < .05$). This result is statistically significant.

Recruitment strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	141	41.6	44.9	44.9
	Agree	110	32.4	35.0	79.9
	Neutral	56	16.5	17.8	97.8
	Disagree	7	2.1	2.2	100.0
	Total	314	92.6	100.0	
Missing	System	25	7.4		
Total		339	100.0		

The findings of this study are consistent with previous research findings which have shown that firms that are able to attract, recruit, and retain talent employees via HRM will gain a competitive edge in the dynamic market. A resourcing strategy should therefore explore methods of recruiting the number of people required and finding staff with the necessary skills and experience, who are likely to deliver the desired sort of behaviour and who will fit into the organization's culture readily. The aim of the strategy should therefore be to develop the best mix of recruitment and selection tools.

Employee selection strategies

Selection strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	136	40.1	43.3	43.3
	Agree	126	37.2	40.1	83.4
	Neutral	47	13.9	15.0	98.4
	Disagree	5	1.5	1.6	100.0
	Total	314	92.6	100.0	
Missing	System	25	7.4		
Total		339	100.0		

As shown in table 6, 83.4% agreed that the strategies used in employee selection lead to improved organizational profits in commercial banks. Out of this 43% strongly agreed, 40% agreed while 15% were not decided. Only 1.6% of the respondents disagreed. This shows that good selection strategies lead to improved performance in banks. From the study it was also found that there is a positive relationship between selection practices and organizational profits ($r = 0.49$; $p < .05$). This is also statistically significant.

Thus from this study it was found that recruitment and selection have a positive role in improving the profits of commercial banks in Kenya. This means that as recruitment and selection practices are properly executed or improve, so does organizational profits. The significant relationship merely indicates that the variables co-vary. These findings are consistent with the findings of Delany and Huselid (1996); Terpstra and Rozell (1993); Ahmed and Schroeder (2003); Zhu et al., 2005 and Chidi and Okpala (2012) who found that practicing an effective recruitment and selection process has positive relationship with organizational performance. The findings also corroborate the views of Terpstra and Rozell (1993) who found an association between use of recruitment and selection procedure and profits.

Human Resource Planning

Human resource planning strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	134	39.5	42.7	42.7
	Agree	106	31.3	33.8	76.4
	Neutral	67	19.8	21.3	97.8
	Disagree	6	1.8	1.9	99.7
	Strongly Disagree	1	.3	.3	100.0
	Total	314	92.6	100.0	
Missing	System	25	7.4		
Total		339	100.0		

Human resource planning (HRP) involves assessing future business needs and deciding on the numbers and types of people required. HRP also involves preparing plans for finding people from within the organization and/or for learning and development programmes to help people learn new skills. If needs cannot be satisfied from within the organization, it involves preparing longer-term plans for ensuring that recruitment and selection processes will satisfy them.

When the statement that human resources planning leads to improved profits of commercial banks in Kenya was posed to the respondents, out of the 314 respondents 42.7% strongly agreed; 33.8% agreed while 21.3% were neutral. Only 1.9% disagreed with the statement that human resources planning leads to improved profits of commercial banks in Kenya. This shows that majority of the respondents 76.9% agreed that HRP leads to improved profits of commercial banks.

Induction strategies

When the respondents were asked if their banks do employee induction after new recruitment or transfers, all respondents (100%) said that their banks do induction. This shows that the commercial banks in Kenya engage in induction. From the study, therefore, it was found that commercial banks in Kenya are engaging in employee induction and this has led to banks always ensuring that the employees adjust to the organization quickly and also understand the culture of the bank. This has contributed heavily to improved profits among commercial banks in Kenya because very minimal time is taken for a new employee to understand how work is done in the bank. When the statement that induction strategies lead to increased profits among commercial banks was posed, all members of the sample respondent. Out of the 314 respondents 22.9% strongly agreed; 62.7% agreed while 13.4% were neutral. Only 1% disagreed. This shows that the use of induction strategies lead to increased profits in commercial banks.

Induction strategies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	72	21.2	22.9	22.9
	Agree	197	58.1	62.7	85.7
	Neutral	42	12.4	13.4	99.0
	Disagree	3	.9	1.0	100.0
	Total	314	92.6	100.0	
Missing	System	25	7.4		
Total		339	100.0		

Employee resourcing strategies

It was observed that the role of the HR department in recruitment is significantly changing within the Kenyan banks. Most commercial banks in Kenya (76%) have developed formalized recruitment and selection policies aimed at ensuring that they are able to attract, recruit and retain the most qualified people. Seventy two percent (72%) of the commercial banks were also found to engage in human resource planning as part of their strategy. This according to 67% of the respondents was found to help them ensure that they have the right number of employees with the right skills required to achieve the corporate goals of the bank.

From this study, therefore, there is evidence of significant effect of employee resourcing strategies on the performance of commercial banks in Kenya (F (84.9, df=1, and $P<0.05$). It was found that 76% of the commercial banks that had adopted effective recruitment and selection strategies were able to attract and employ highly skilled employees who were able to offer quality service to customers. The quality services offered by these employees made it possible for the commercial banks to attract more customers which in turn led to increased sales and profits. The banks (52%) reported that the number of branches was also found to have increased when quality of service improved which in turn led to increased market share hence leading to more profits. For instance, interviews with five of the banks human resources managers were able to reveal that when the banks were able to lay down strategies of enabling them to attract the most qualified persons, the performance of the bank improved by at least 75%. The HR managers also explained that these banks were also able to reduce the cost of supervising the new employees since the new employees had the knowledge and skills required to perform their duties. Thus from the study it was found that recruitment strategies have a high influence on performance. When a commercial bank adopted the use of recruitment strategies, the performance of the bank improved by at least 75%. This is consistent with Terpstra and Rozell's (1993) study of the relationship between recruitment/selection practices and firm performance, where they found a significant and positive link between extensiveness of recruiting, selection and the use of formal selection procedures and firm performance.

The specific strategies used in the staffing process will therefore directly impact an organizations success. This findings are consistent with those of a study by Adegoroye, Oladejo and Moruf (2012) which found that innovative recruitment practices were ranked high at influencing performance of banks. An effective staffing strategy requires in-depth planning for the recruiting process to ensure efficiency and generation of a qualified applicant pool and also ensure an optimal fit between employees and the strategic needs of the organization (Mello, 2006).

From this study it was found that 87% of the commercial banks in Kenya were now taking recruitment and selection very seriously and therefore have set specific budgets for the process. The commercial banks studied reported that 97% of their recruitment was done strategically hence ensuring that the recruitment done by the bank has a future look and that it is able to contribute to achievement of the goals of the bank. Specifically this study established that commercial banks in Kenya are to a large extent (88% of the banks) emphasizing on the recruitment of people with high academic qualifications such as masters degree holders. Banks that have used the new recruitment and selection strategies were found to improve their performance by over 75%. Thus the use of recruitment strategies was found to have a positive effect on the performance of the commercial banks that have used them.

From this study it is concluded that most commercial banks (88%) are using employee resourcing strategies such as recruitment, selection, induction and human resource planning strategies. It is concluded that the use of this strategies has a positive effect on employee and organizational performance. Based on the findings of this study, it is therefore, recommended that commercial banks should embrace strategic employee resourcing in order to acquire and maintain high quality employees that will enable them achieve their performance goals.

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