

An African perspective of Human Resource Strategic Orientation: Organizational Commitment, Institutional Attributes, Firm performance

Abstract

Human Resource Strategic Orientation, organizational Commitment and Firm Performance presents an in-depth analysis of the linkage between Human Resource (HR) practices and firm performance among large private manufacturing firms in Kenya. This book fills the gap on the nature of human resource management in developing countries. Existing literature has given disproportionately high attention to the field of HR in developed countries while few studies have focused on developing countries. This book fills this gap by firstly, identifying, applying and analyzing the soft and hard typologies of Human Resource Management as advanced by Storey (1987). Secondly, the concept of organizational commitment and its three components of affective, continuance and normative are introduced. The aim is to establish the relationship between the soft and hard HR strategic orientations of human resource management and these three components of organizational commitment. This book is intended for undergraduate students studying business and postgraduate students pursuing MBA and doctorates in HRM. Students looking for an analytical text will find this a useful resource. It contains a list of references and methodology for carrying out research.

The contents of this book revolve around five specific objectives that show the relationships between: human resource strategic orientation and firm performance; human resource strategic orientation and organizational commitment; organizational commitment and firm performance. Results of hypotheses were formulated and tested. Correlation and regression analysis techniques were applied. The book analyses and presents results from 148 large private manufacturing firms in Kenya. The findings indicate that, soft and hard human resource strategic orientations have a strong and significant positive relationship with firm performance, affective commitment, continuance commitment and overall organization commitment. Out of four organizational characteristics namely: firm size, firm ownership, firm age and unionization, firm size and firm ownership have a consistent and significant moderating effect on the relationship between human resource strategic orientations and organizational commitment and between organizational commitment and firm performance.

These results are significant for theory, policy and practice. Contrary to theoretical reasoning, hard human resource practices are positively associated with affective commitment because such practices achieve the desired results and also because people like to be associated with a winning team, they develop positive attitudes and acceptance of the concerned practices. For policy and practical implications, it is concluded that organizations should devise policies that retain employees covering all three areas of commitment, that is, affective, continuance and normative so as to realize business success.