

Achieving Strategic- Fit between Business and Human Resource Strategies in the Agricultural sector. An Assessment of Transnational Tea Firms in Kenya.

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Abstract

This study sought to establish the extent to which strategic fit between business and human resource strategies is achieved by the transnational tea firms in Kenya. The objectives of the study were: to establish the extent of strategic fit between various business and human resource strategies; to identify which Strategic Human Resource Strategies (SHRM) processes are used by the firms-integrated, aligned or separate; to find out the approach to formulation and implementation of Human Resource(HR) strategies used by the firms;

The 27 respondents comprised 20 Managers of the strategic Business units and 7 Managers in charge of the Human Resource function at these companies. Most of the data was collected by way of Questionnaires, personally administered to ensure clarification is offered where necessary.

The study found that once business strategies are decided upon, human resource strategies that both complement and justify them are formulated and implemented. The two sets of strategies, the study established show strong correlation and therefore high levels of strategic fit. To arrive at the strategic fit, the most used process is an integrated process where HR strategy is an integral part of the business strategy, along with other functional strategies. In addition, the study found that the majority use the Best-Fit approach to formulating and implementing HR strategies.

Key words: Synergies, Strategic- Fit, Business strategies, Human resource strategies

Introduction

The achievement of any set of corporate objectives requires the deployment of the two most basic resources, namely, money and people. Deficiency in either of the two can reduce the best –laid strategy to a valueless pipe dream. Organizations seem to find it more difficult to develop human resource strategies, which are linked to business strategies despite a widespread recognition that this is important (Hussey, 2000). It is now recognized, however, that the organization can only do the job efficiently if the right quantity and quality of management and non-management personnel are on board. Walker (1992) suggests that the following types of processes are used in Strategic Human Resource Management (SHRM); the integrated process is where HR strategy is an integral part of the business strategy along with other functional strategies. The aligned process is the approach whereby the HR strategy is developed together with the business strategy. They may be presented and discussed together but they are distinct outcomes of parallel processes. By considering them together, there is the likelihood that they will influence each other and be adopted as a cohesive whole. Lastly, the separate process is whereby a distinct HR plan is developed. It is both prepared and considered separately from the overall business plan. It focuses on HR issues and, as far as possible, looks for business-relatedness of the information obtained. This approach perpetuates the notion of HR as a staff driven functional specialist concern.

Notwithstanding how SHRM is realised, what is not in doubt is that Business strategy needs to be dovetailed into the right quality and quantity of human resources. Without attracting and retaining the right people, in the right jobs, with the right skills and training, an organization cannot succeed (US office of Personnel Management, 1999). The HR strategy ought to influence the business strategy and in turn be influenced by it. The research was necessitated by the fact that though the transnational tea firms formulate and implement one form of business strategy or the other; the human resource strategies are not as explicitly stated as the business strategies.

Statement of the Problem

Kenyan Tea firms, like most international organizations, formulate and try to implement one form or the other of business strategies. However, studies have not brought out any attempts at achieving a strategic fit between the business and human resource strategies. Due to their labour intensive nature, these tea firms require major decisions on human resources. For most of them, labour related costs constitute up to 60 percent of the total cost of production (Task

Force Report on the Tea Industry, 2007). It is therefore crucial that every effort is made to not only formulate and implement appropriate business strategies but to also complement these strategies with coherent HR strategies, that is, to achieve strategic fit between the two sets of strategies. The matter of strategic fit is even more important now as it has been established that for HRM strategies to impact on performance, there must be a particular “fit” between a firm’s HRM strategies and the firm’s competitive strategy (Wright and Snell, 1998).

Literature Review

Guest (1989) views strategic HRM as largely about integration. He sees the key policy goals for HRM as adopting a strategic approach –one in which HR strategies are integrated with business strategies. The end product has to be a matrix of people and business-centered activities. The aim is to provide strategic fit and consistency between the policy goals of HRM and the business. HR planning should not occur in isolation from business issues. Possible changes in HR policies and practices should be considered in the context of issues related to other tangible and intangible resources including finances, technology, physical resources and the firm’s current and desired reputation. The need for close coordination and collaboration between line managers and HR professionals during strategic planning therefore cannot be overemphasized.

Graham and Bennett (1998) see strategic approach to HRM as the integration of personnel and other HRM considerations into the firm’s overall corporate planning and strategy. It is proactive, seeking constantly to discover new ways of utilizing the labour force in a more productive manner thus giving the business a competitive edge. Practical manifestations of the adoption of a strategic approach to HRM may include, incorporation of a brief summary of the firm’s basic HRM policy into its mission statement, explicit consideration of the consequences for employees of each of the firm’s strategies and major new projects, designing organization structures to suit the needs of employees rather than conditioning the latter to fit in with the existing form of organization and having the head of HRM on the firm’s board of directors.

There are a number of models within which the framework of the concept of strategic HRM describes various approaches to its development and implementation. These approaches include the Best Practice Approach, Best-Fit Approach and Configurational Approach (Armstrong and Baron, 2006). The Best Practice Approach is based on the belief that there is a set of best HRM practices and that adopting them will lead to superior organizational

performance (Armstrong and Baron, 2006). The best known set is Pfeffer's (1994) list of the seven HR practices of successful organizations; employment security, selective hiring, self-managed teams, high compensation based on performance, training, flatter organizational structure and information sharing. However, according to Gooderham, Parry and Ringdal (2008), even those bundles that impact on performance play only a relatively modest role in terms of explaining overall performance. Off-the-shelf HRM bundles of practices are inadequate. There is need for HR practitioners to become more embedded in their organizations' strategic process so that their offerings are more strategically integrated.

The Best-Fit Approach offers a solution to the shortcomings of the Best-Practice Approach. This approach holds that the aim of SHRM is to provide a fit between policy goals of HRM and the business. The HR strategy of an organization must be contingent on the needs and circumstances of that organization (Guest, 1989). According to Armstrong and Baron (2006), the Best-Fit Approach has been accepted by most of the commentators as more important than Best Practice. There can be no universal prescription for HRM policies. It all depends.. It is proactive, seeking constantly to discover new ways of utilizing the labour force in a more productive manner thus giving the business a competitive edge.

The Configurational School draws attention to three beliefs, first, that strategies may vary according to the life cycle of the organizations, second, that they depend on the sector of the organization, and third, that they are about change and transformation. The key issue in the Configurational perspective is the argument that a given HRM practice –regardless of its situational superiority- is unlikely to yield substantial benefits at the organizational level unless it is combined with other effective practices (Lepak and Shaw, 2008). This perspective suggests that a configuration of a set of internally-aligned HRM practices will have a much greater ability to explain variation in organizational performance than single HRM practices taken in isolation (Delery, 1998). Perhaps the most well-known configurational study was conducted by Huselid (1995). In a large cross-industry study, he demonstrated that a system of practices he labeled a High Performance Work System (HPWS) was positively and significantly associated with important organizational outcomes.

This study sought to offer indications of the sort of approaches that, subject to fitting them into the right context, are likely to assist in the delivery of sustained improvements in business performance. It sought to lay emphasis on the importance of preparedness for expected and unexpected changes in the business environment as well as associated human

resource requirements by the multinational tea firms and therefore encountering them with the minimum cost possible to the firm and least psychological and financial challenges to the employees. This is especially important in the agricultural sector as the leading employer and the tea sub-sector as the leading foreign exchange earner in the agricultural sector. In the recent past, these firms have reacted to the sudden threats to their bottom lines, by rushed introduction of tea-plucking machines in place of human labour. A thorough understanding of the industry in which they operate would lead to coherent business and human resource strategies that would make an impact on the performance of these firms and further reduce susceptibility to the vagaries of weather and international tea price changes.

Objective 1

To establish the extent of strategic fit between various business and human resource strategies used by transnational tea companies in Kenya.

Research Question

What is the extent of strategic fit between various business and human resource strategies used by transnational tea companies in Kenya?

Objective 2

To identify which SHRM processes are used by the firms-integrated, aligned or separate

Research Question

What SHRM processes are used by the firms-integrated, aligned or separate?

Objective 3

To find out the approach to formulation and implementation of HR strategies used by the firms

Research Question

What is the approach to formulation and implementation of HR strategies used by the firms?

Theoretical Framework

This study was based on the Best-Fit or Contingency theory of SHRM which holds that different types of HR strategies will be suitable for different types of business strategies. It

emphasizes that HR strategies should be congruent with the context and circumstances of the organization (Armstrong, 2009). In line with this theory, the study sought to establish if there is coherence between the business and HR strategies employed by the transnational tea firms.

The Best-Fit perspective can be contrasted with two other approaches namely: the Universalist perspective and the Configurational perspective. The Universalist (Best-Practice) perspective holds that some HR practices are better than others and all organizations should adopt these practices and that there is a universal relationship between individual best practices and firm performance. In contrast, according to the configurational perspective or bundling, a strategy's success depends on combining vertical or external fit and horizontal or internal fit so that a firm with bundles of associated HR practices should have a higher level of performance, provided it also achieves high levels of fit with its competitive strategy (Delery and Doty, 1996).

Research methodology

In 2012, there are seven transnational tea companies operating in Kenya. The target population of the study comprised of all the seven transnational tea companies. The 27 respondents comprised of 20 Managers of the Strategic Business units and 7 Managers in charge of the Human Resource function at these companies. Questionnaires were personally administered to all the 27 respondents. In addition, Strategic business plans covering the past 5 years as well as those covering the next 5 years were, where available, obtained from respective companies and compared with human resource planning documents

In designing an instrument that would yield content valid data, the researcher specified the domain of indicators which were relevant to the variables being measured, to ensure that they contained all possible items that would be used in measuring the variables. The instruments were also pilot tested. In order to test the reliability of the instrument to be used in this study, split half method was preferred because it has a major advantage of eliminating chance error caused due to differing test conditions. Cronbach's Alpha Coefficient of 0.70 confirmed the reliability of the instruments. Descriptive statistics such as means, percentages and frequencies were used to analyze the various business and HR strategies. Pearson's Product Moment Correlation Coefficient was further calculated to determine the level of fit between business strategies and human resource strategies.

Findings.

The extent of strategic fit between various business and human resource strategies used by transnational tea companies in Kenya.

Strategic Fit between Cost Leadership and Related HR Strategies

Findings of the study (Table 1) show strategic fit between Cost Leadership and related HR strategies as cost leadership had strong positive relationships with the following HR strategies; Performance Management ($r=0.850$), Reward Management ($r=0.888$) and Downsizing ($r=0.800$). At the same time, it had a strong negative relationship with Recruitment ($r= -0.850$). Reduced costs come as a result of better performance per employee, which is in turn motivated by better reward. At the same time, Downsizing of excess labour leads to reduced costs.

Table 1 Strategic Fit between Cost Leadership and HR Strategies

HR strategies		Cost leadership
Continuous Learning	Pearson Correlation	0.108
	Sig. (2-tailed)	0.838
Performance management	Pearson Correlation	.850(*)
	Sig. (2-tailed)	0.0302
Job redesign	Pearson Correlation	0.51
	Sig. (2-tailed)	0.302
Job rotation	Pearson Correlation	0.489
	Sig. (2-tailed)	0.325
Reward management	Pearson Correlation	.888(*)
	Sig. (2-tailed)	0.018
Teamwork	Pearson Correlation	-0.4
	Sig. (2-tailed)	0.432
Downsizing	Pearson Correlation	0.800(*)
	Sig. (2-tailed)	0.056
Expansion-recruitment	Pearson Correlation	-0.850(*)
	Sig. (2-tailed)	0.032

* Correlation is significant at the 0.05 level (2-tailed).

Strategic Fit between Differentiation and Related HR Strategies

Findings of the study (Table 2) show strategic fit between Differentiation and related HR strategies as it had strong positive relationships with the following HR strategies; Continuous Learning ($r=0.838$), Job Redesign ($r=0.850$) and Job Rotation ($r=0.888$). At the same time, it had a strong negative relationship with Recruitment ($r= -0.850$). For Differentiation to work well there is need for training in new ways of work (Continuous Learning) and Job Redesign and Rotation to fit employees to their new roles. A firm making a differentiated product makes use of the same people, but trains them and redesigns and rotates their jobs, thereby having a negative correlation with Recruitment.

Table 2 Strategic Fit between Differentiation and HR Strategies

HR strategies	Pear	Differentiation
Continuous Learning	Pearson Correlation	.838(*)
	Sig. (2-tailed)	0.108
Performance management	Pearson Correlation	0.51
	Sig. (2-tailed)	0.302
Job redesign	Pearson Correlation	.850(*)
	Sig. (2-tailed)	0.032
Job rotation	Pearson Correlation	.888(*)
	Sig. (2-tailed)	0.018
Reward management	Pearson Correlation	0.489
	Sig. (2-tailed)	0.325
Teamwork	Pearson Correlation	-0.4
	Sig. (2-tailed)	0.432
Downsizing	Pearson Correlation	0.332
	Sig. (2-tailed)	0.52
Expansion-recruitment	Pearson Correlation	- 0.850(*)
	Sig. (2-tailed)	0.032

* Correlation is significant at the 0.05 level (2-tailed).

Strategic Fit between Divestiture and Related HR Strategies

Findings of the study (Table 3) show strategic fit between Divestiture and related HR strategies. It had strong positive relationships with the following HR strategies; Job Redesign ($r=0.991$), Job Rotation ($r=0.956$) and Downsizing ($r=0.944$). At the same time, it had a strong negative relationship with Recruitment ($r= -0.991$). When a firm partly divests from a business it has been carrying out, people previously working in the sold segment of the business often have their jobs redesigned and rotated so as to remain relevant to the organization. Those who are excess to requirement are then downsized.

Table 3 Strategic Fit between Divestiture and HR Strategies

HR strategies	Pear	Divestiture
Continuous Learning	Pearson Correlation	-0.086
	Sig. (2-tailed)	0.871
Performance management	Pearson Correlation	0.012
	Sig. (2-tailed)	0.983
Job redesign	Pearson Correlation	.991(**)
	Sig. (2-tailed)	0
Job rotation	Pearson Correlation	.956(**)
	Sig. (2-tailed)	0.003
Reward management	Pearson Correlation	-0.008
	Sig. (2-tailed)	0.988
Teamwork	Pearson Correlation	-0.227
	Sig. (2-tailed)	0.666
	Sig. (2-tailed)	0
Downsizing	Pearson Correlation	.944(**)
	Sig. (2-tailed)	0.038
Expansion-recruitment	Pearson Correlation	- 0.991(**)
	Sig. (2-tailed)	0

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

Strategic Fit between Acquisition and Related HR Strategies

The study findings (Table 4) show a strategic fit between Acquisition business strategy and related HR strategies. It had strong positive relationships with Job Redesign ($r=0.991$) and Job Rotation ($r=0.956$) and a weak positive relationship with Downsizing ($r=0.038$). At the same time, it had a strong negative relationship with Recruitment ($r= -0.991$). When a firm acquires another, jobs need to be rotated and redesigned in order to synchronize the operations of the two firms.

Table4 Strategic Fit between Acquisition and HR Strategies

HR strategies	Pear	Acquisition
Continuous Learning	Pearson Correlation	-0.086
	Sig. (2-tailed)	0.871
Performance management	Pearson Correlation	0.012
	Sig. (2-tailed)	0.983
Job redesign	Pearson Correlation	.991(**)
	Sig. (2-tailed)	0
Job rotation	Pearson Correlation	.956(**)
	Sig. (2-tailed)	0.003
Reward management	Pearson Correlation	-0.008
	Sig. (2-tailed)	0.988
Teamwork	Pearson Correlation	-0.227
	Sig. (2-tailed)	0.666
Downsizing	Pearson Correlation	0.038
	Sig. (2-tailed)	0.944
Expansion-recruitment	Pearson Correlation	-0.991(**)
	Sig. (2-tailed)	0

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

Strategic Fit between Diversification and Related HR Strategies

The study findings (Table 5) show a strategic fit between Diversification and related HR strategies. It had strong positive correlation with Job Redesign ($r=0.974$), Job Rotation ($r=0.932$) and Recruitment ($r=0.974$). Product diversification often leads to Job Redesign and Job Rotation in order for the human resources to fit into new roles necessary to produce the diversified product. It may also be necessary to recruit some new staff to fill the skills gap of skills that exists within the organization.

Table 5 Strategic Fit between Diversification and HR Strategies

HR strategies	Pear	Diversification
Continuous Learning	Pearson Correlation	-0.074
	Sig. (2-tailed)	0.889
Performance management	Pearson Correlation	-0.061
	Sig. (2-tailed)	0.908
Job redesign	Pearson Correlation	.974(**)
	Sig. (2-tailed)	0.001
Job rotation	Pearson Correlation	.932(**)
	Sig. (2-tailed)	0.007
Reward management	Pearson Correlation	-0.048
	Sig. (2-tailed)	0.928
Teamwork	Pearson Correlation	-0.24
	Sig. (2-tailed)	0.647
Downsizing	Pearson Correlation	-0.1
	Sig. (2-tailed)	0.851
Expansion-recruitment	Pearson Correlation	.974(**)
	Sig. (2-tailed)	0.001

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

Strategic Fit between Vertical Integration and Related HR Strategies.

The study findings (Table 6) show a strategic fit between Vertical Integration and related HR strategies. Vertical Integration had strong positive relationships with Job Rotation ($r=0.824$). When a firm takes over another firm in a different stage of the product cycle, employees may need to be rotated so as to fit into newly created jobs.

Table 6 Strategic Fit between Vertical Integration and HR Strategies

HR strategies	Pear	Vertical integration
Continuous Learning	Pearson Correlation	0.489
	Sig. (2-tailed)	0.325
Performance management	Pearson Correlation	0.027
	Sig. (2-tailed)	0.959
Job redesign	Pearson Correlation	0.695
	Sig. (2-tailed)	0.126
Job rotation	Pearson Correlation	.824(*)
	Sig. (2-tailed)	0.044
Reward management	Pearson Correlation	0.426
	Sig. (2-tailed)	0.399
Teamwork	Pearson Correlation	-0.053
	Sig. (2-tailed)	0.92
Downsizing	Pearson Correlation	0.309
	Sig. (2-tailed)	0.552
Expansion-recruitment	Pearson Correlation	0.695
	Sig. (2-tailed)	0.126

* Correlation is significant at the 0.05 level (2-tailed).

Strategic Fit between Horizontal Integration and Related HR Strategies.

The study findings (Table 7) show a strategic fit between Horizontal Integration and related HR strategies. It had strong positive relationships with Job Redesign ($r=0.957$), Job Rotation ($r=0.944$) and Recruitment ($r= 0.957$). When a firm takes over another firm at the same stage in the product cycle, jobs may be rotated and redesigned while more employees may need to be recruited to take care of additional responsibilities.

Table 7 Strategic Fit between Horizontal Integration and HR Strategies

HR strategies	Pear	Horizontal integration
Continuous Learning	Pearson Correlation	0.037
	Sig. (2-tailed)	0.945
Performance management	Pearson Correlation	-0.112
	Sig. (2-tailed)	0.833
Job redesign	Pearson Correlation	.957(**)
	Sig. (2-tailed)	0.003
Job rotation	Pearson Correlation	.944(**)
	Sig. (2-tailed)	0.005
Reward management	Pearson Correlation	-0.082
	Sig. (2-tailed)	0.877
Teamwork	Pearson Correlation	-0.034
	Sig. (2-tailed)	0.949
Downsizing	Pearson Correlation	-0.014
	Sig. (2-tailed)	0.979
Expansion-recruitment	Pearson Correlation	.957(**)
	Sig. (2-tailed)	0.003

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

The above results imply that for every business strategy formulated and implemented by these firms, there is coherence with an appropriate HR strategy. The study therefore established that though HR strategies are not as explicitly stated as the business strategies, the firms have a fairly good idea of what HR strategies they need to, in practice, align with the business strategies. The findings confirm that Strategy is not realized merely by formal statements but comes about also by actions and reactions

SHRM processes used by the firms

In addition to establishing that the HR implications of the business strategies are always clearly spelt out, the study found that 57.1 percent of the HR Managers use an integrated process while 42.9 use an aligned process. None of them use a separate process (Figure 4.14). For the majority therefore; HR strategy is an integral part of the business strategy, along with all the other functional strategies. For the 42.9 percent who use an aligned process, HR strategy is developed together with the business strategy. They may be presented and discussed together but they are distinct outcomes of parallel processes. By considering them together, there is the likelihood that they will influence each other and be adopted as a cohesive whole.

Approaches to formulation and implementation of HR strategies used by the firms

The findings indicate that 72 percent of the HR Managers use the Best-Fit approach while Best-Practice and Configurational Approaches are each used by 14 percent of the HR Managers. For the majority of the managers therefore, there is a recognition that it is up to the firm to decide what HR strategies can be adapted to its particular business strategies and operational requirements at a particular time. Those who use best- practice believe that there is a set of universal best HRM practices and that adopting them will lead to superior organizational performance. Configurational approach means the use of a combination of bundles of HR practices with high levels of fit with its competitive strategy.

Conclusions

Evidence from the study shows that, in most cases, the chosen HR strategies are coherent with the business strategies. The business strategies are translated into the right quality and quantity of human resources in order that the organization is “right sized” by eliminating unnecessary work and responding to economic, legal, technological and consumer changes. It was also evident that the organizations seek to achieve not only a vertical fit, that is,

integrating the business and HR strategies but also a horizontal fit (or bundling) i.e. achieving coherence and mutual support between various HR strategies. The study also demonstrated that these firms have since moved on from earlier findings by Kamoche (1992) to the effect that subsidiaries of Multinational Companies had to a large extent relied on their head offices in matters of strategy and policy formulation which led to a combination of strategic planning and a less rational and less objective approach, which resembles a “gut feeling”.

The study demonstrated the importance attached to SHRM practices by the transnational tea companies. This is attested to by the high percentage of those firms that use the integrated process of Strategic HRM (where the HR strategy is an integral part of the business strategy, along with other functional strategies) as opposed to the very few who use the separate process. Consequently, the firms overwhelmingly use the best-fit approach to formulation and implementation of strategy. They have recognized that it is up to them to decide what HR strategies can be adapted to their particular business and operational requirements at a particular time as opposed to the belief under best-practice that there is a set of universal best HRM practices and that adopting them will lead to superior organizational performance. The volatility in the Agricultural sector in general and the tea industry in particular, caused by weather, price and foreign currency fluctuations make it necessary to formulate and implement strategies that support the prevailing business environment.

Wright, Snell and Jacobsen (2004) made the following observations about HR-strategy linkage; The inside-out approach begins with the status quo HR function (in terms of skills, processes, technologies etc.) and then attempts (with varying degrees of success) to identify linkages to the business (usually through focusing on people issues), making minor adjustments to HR activities along the way. On the other hand within the outside-in HR approach, the starting point is the business including the customer, competitor and business issues they face. The HR strategy then derives directly from these challenges to create real solutions and add real value. The study found that the tea firms make use of the outside-in approach in seeking to achieve strategic fit. The use of the outside-in approach is consistent with the finding that it is the business strategies that are explicitly stated. HR strategies that are consistent with the chosen business strategies then follow.

Recommendations

HR strategies need to be as explicit and clearly stated as the business strategies are. The treatment of HR issues needs to go beyond the current treatment as merely another functional

area. This is more so because all the other resources, money, machines, raw materials etc. used as inputs for the achievement of the desired outcomes of the organization cannot work without the human resources. HR strategies need not only be clearly stated, they need to be proactive, and constantly reviewed to discover new ways of utilizing the labour force in a more productive manner thus giving the business a competitive edge. Explicitly stated HR strategies not only act as constant reference points but also call for justification for any deviation.

The most advanced linkage between business and HR issues is the integrative linkage in which the senior HR executive is part of the top management team, and is able to sit at the table and contribute during development of the business strategy. The senior most HR professionals are currently at the top management level, while a few are still at the middle management level. It would be necessary that HR is represented at the Board of Directors level, that is, where all strategic decision making occurs so as to fully contribute its expertise in the formulation and implementation of matters of strategic direction.

Further Research

One of the most significant ongoing debates in the Kenyan Tea industry is the tradeoff between use of men and machines especially in tea harvesting. The tea companies, pressed by the rising labour costs have tended to react by knee-jerk introduction of tea harvesting machinery to replace hand harvesting. Whereas labour cost is a real threat to the continued existence of these companies, it is equally true that the best quality tea is that which is harvested by hand. Research should therefore be carried out to ensure a proper balance between cost reduction and quality achieved before wholesale machine harvesting of tea is adopted.

Further research now needs to be carried out to get empirical evidence as to whether the best practices are adequate or organizations need always to go on and search for a matching model of HRM to the business strategy. Furthermore, it is necessary to research on whether Pfeffer's(1994) list of the seven HR practices of successful organizations, namely, employment security, selective hiring, self-managed teams, high compensation based on performance, training, reduction of status differential and sharing of information are adequate or more HR Practices need to be added to this list.

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