

EVALUATION OF STRATEGIC HUMAN RESOURCE PRACTICES ON ORGANIZATIONAL
PERFORMANCE: A CASE STUDY OF KENYA NATIONAL AUDIT
OFFICE

CHARLES M. MUTUA

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT
FOR THE AWARD OF MASTER OF BUSINESS ADMINISTRATION
DEGREE IN HUMAN RESOURCE MANAGEMENT
MOUNT KENYA UNIVERSITY.

OCTOBER 2015

ABSTRACT

Public sector plays a central role in any country's socio-economic development. The sector has however, been affected by globalization, public sector reforms, climate change, information, communication and technology and human resource development among other factors. Kenya National Audit Office, a key player in auditing of public sector finances has undergone a change in its mandate as a result of the promulgation of the new constitution (2010). This research sought to examine the extent to which human resource practices influences performance of the Office of the Auditor General. The identified practices in this study include training, recruitment, performance appraisals and compensation. Its objectives are to establish the relationship between training and organizational performance, examine the relationship between recruitment and organizational performance, determine the relationship between performance appraisal and organizational performance and establish the relationship between compensation and organizational performance. The study population comprised of 1030 employees of the Office. A population sample of 103 was sampled. Self-administered questionnaires were used to collect data. The research was descriptive in design. Descriptive statistics such as mean scores, standard deviations, percentages, index, cross tabulation and frequency distribution was computed to describe the characteristics of the variables of interest in the study. The study established that training and development program increases employee morale, Training and development can help the office become more efficient by allowing employees to learn new processes more quickly and efficiently, employee recruitment process should provide a pool of potentially qualified candidates to meet organization needs and that Proper recruitment process help reduce the probability that job applicants, once recruited and selected will leave the organization only after a short period of time, performance appraisals often serve as motivational tools for employee, provides a factual assessment of the employees' performance' and that compensation plan plays a prominent role in recruiting, motivating and retaining employee's hence building a durable advantage. The study concludes that employee training and development programs, performance appraisals clear employee recruitment procedures and employee compensation all had a positive influence on organizational performance at Kenya National Audit Office. The study recommends that Employees Training and development programmes at Kenya National Audit Office should be continued as they were found to have positive impact on organizational performance. HR needs to formulate policies which ensure that employee compensation plan matches with the current economic status. In order to increase efficiency in hiring and retention, Office of the Auditor General should ensure consistency and compliance in the recruitment and selection process and that the employee performance appraisals at Kenya National Audit Office should be enhanced as they were found to have positive impact on organizational performance