

Strategic Human Resource Management in Health Sector in Kenya

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Abstract

The scope of the research study includes an overview of human resource management at the national, county and institutional levels. The research methodology consists of a literature review of journals on human resource management, annual reports from health facilities, and government documents. This research consists of an empirical and conceptual analysis on the relationship between human resource management and performance. The research study examines theories on human resource management practices in an attempt to develop an understanding of theoretical and rational ways in which human resource management practices affect the performance of the health facilities. Aligning people management with the business strategy and integrating high performance work systems into the strategic management process is crucial for improving performance of health facilities and delivery of quality services. This paper provides a framework for guiding development of Human Resource policies and practices within the health sector in Kenya.

Index terms— human resource management, financial performance, competitive advantage, turnover.

1 Introduction

The role of the Human Resource Management function in many health care facilities in Kenya is in disarray. The shortage of health workers reveals challenges with recruitment, training and workforce planning. Workforce imbalances is attributed to lack of human resource planning, poor deployment practices, lack of human resource development strategy and attrition due to retirement, migration and turnover. Poor performance is a result of health staff not being sufficient in numbers, not providing care according to standards, not being responsive to the needs of the community and patients, absenteeism, motivation, job dissatisfaction, lack of professional development, poor attitudes, and working conditions. Health-system related factors such as human resources policy influence staff retention and mobility. Poor performance of health facilities leads to inaccessibility of care and contributes to reduced health outcomes as people are not using services or they are mistreated due to harmful practices.

2 Background of Study a) Staffing and Retention Strategies

As of 2006, the existing health network in Kenya had over 5170 health facilities countrywide (Economic Survey, 2007). The health sector has public and private sub-sectors (Rakuom, 2010). The private sub-sector comprises of for-profit health care institutions and the not-profit health care institutions such as faith-based health institutions and non-governmental organizations (NGO).

Health care governance at the national, provincial and district levels are under the central government, local government, and private owners (Rakuom, 2010). The national hospitals comprise of national referral centers for advanced health care. The district level supervises district health services within the district and this includes sub-district hospitals, health centers, dispensaries, and community-based health care services. There is a provincial referral hospital in each province except Nairobi province that serves the district hospitals (Rakuom, 2010).

3 B) TRAINING AND DEVELOPMENT STRATEGIES

According to Rakuom (2010) 62.8% of the health workers are public health workers. However the public sector is still understaffed. Reports indicate that health facilities are understaffed and that over 500 dispensaries do not have a nurse (Rakuom, 2010). Previous research reveals that between 2004 and 2005, provincial hospitals lost 4% of their health workers compared to 3% in district hospitals and 5% in health centers (Chankova, Muchiri & Kombe, 2009). The Human Resource for health crisis is attributed to attrition due to retirement, death, dismissal, resignation, or migration (Chankova et al., 2009). Health workers are migrating because of opportunities to receive higher income and benefits, career development, more satisfying and attractive clinical work circumstances, or as a result of medical recruitment drives by Organization for Economic Co-operation and Development (OECD) countries (World Bank, 2005).

The Commission on Macroeconomics and Health requires a ratio of 70 to 95 nurses and midwives per 100,000 populations. Kenya like other countries within the Sub Sahara region falls below this range. The workforce density is currently 109 health workers per 100,000 people compared to the international standard of 235 nurses per 100,000 people (Kilonzo, 2014). Underserved regions such as Turkana, has 1 nurse per 8,000 people while Wajir has 1 nurse for every 5,500 people (Kilonzo, 2014).

The Government of Kenya initiated the Emergency Hire Program in 2005 in order to alleviate the nursing shortage in remote and underserved areas (Vindigni, Rley, Kimani, Willy, Warutere, Sabatier, Kiriinya, Friedman, Osumba, Waudu, Rakuom, & Rogers, 2014). Nurses were hired on one-to-three year contract (Vindigni et al., 2014). Between 2009 and 2012, 10,000 health workers were hired through the Rapid Hiring Plan initiated by the Ministry of Health and Capacity Kenya (USAID/Capacity Kenya, 2013).

In 2009, there were 43,970 nurses in Kenya's national registry, 75% of which were female nurses and 23% of which were male nurses (Kenya Health Workforce Project). As of 2010, there were 47,865 registered nurses working in private and public hospitals (GOK, 2010). The nursing distribution per facility type indicates that 71.6% of the nurses work in hospitals, 13.2% in health centers, while 15.2% of health workers work in dispensaries (Rakuom, 2010).

The staffing needs are based on workload which is the volume of work involved in delivering health services within a year by a competent and motivated health worker (MoH Kenya, 2006). Staffing in in-patient areas is based on available bed space at a ratio of one nurse to 6 in-patient beds per shift (Rakuom, 2010). However, hospital wards in hospitals such as Kenyatta National Hospital are normally congested beyond the official bed capacity because of increase in population, increasing disease burden and low cost health financing opportunities. This has reduced nursing time per patient. Staffing norm for health centers has been 12 nurses and 1 clinical officer, in the sub-health centers it has been 8 nurses to one clinical officer and in the dispensaries it has been 2 nurses and one clinical officer (Rakuom, 2010). Staffing in district hospitals is constrained by the number of available nurses who can match the existing workload (Rakuom, 2010).

A study on retention of health workers in Kenya identified workplace climate among the nonfinancial factors affecting morale and motivation (Capacity Project, 2009). A Work Climate Improvement Initiative was implemented in ten rural facilities where facility-based teams assessed their work climates and generated activity plans to test low-cost approaches for improvement (Capacity Project, 2009).

A national health services census determined that absenteeism is rampant among health workers in Kenya. Nyeri County, Elgeyo Marakwet and Kericho County recorded the highest rate of absenteeism. In Mombasa County, 1253 health workers were absent during the survey period, while 600 workers in Kiambu County were absent from duty (Standard Media, 2014). These statistics on absenteeism reveal that there is a lack of motivation of health workers and this contributes to shortages of health workers. The Kenya National Human Resources for Health Strategic Plan 2009 to 2012 identified five critical outcomes which aim at improving the retention of health workers at all levels (Ojakaa, Olango & Jarvis, 2014). The initiatives include making health sector jobs more attractive, making remote areas more attractive to work in, improving compensation for health workers and reducing attrition (Ojakaa et al., 2014).

3 b) Training and Development Strategies

There are 70 institutions accredited by the Nursing Council of Kenya (NCK) to train nurses (KHWP). About 12 counties do not have nursing training institutions. Training is conducted in three levels namely certificate, diploma and degree in Bachelor of Science in Nursing (Kilonzo, 2014). 39.2% of nurses hold a certificate and they are classified as enrolled nurses (Kilonzo, 2014). Over 1300 new nurses graduate annually however, over 7000 nurses in Kenya are unemployed (Rakuom, 2010).

Financial performance of private hospitals such as Nairobi Hospital reveals increase in revenues by 14% in 2012 (Nairobi Hospital Annual Report, 2012).

In 2013 revenues increased by 2% to Kshs. 6.9 billion from Kshs. 6.7 billion in 2012 (Nairobi Hospital Annual Report, 2013). Along with business strategy that facilitates growth and expansion in health services such as inpatient clinical services, accident and emergency services, pharmacy services, laboratory medicine, radiology and imaging, effective human resource practices enhance the financial performance and quality of service provision. Training and Development strategies help improve patient outcomes. Mentorship and training of nurses enhances clinical knowledge. Changes in clinical behavior such as improvements in environmental hygiene, timely patient reviews, and use of patient protocols are some of the behavioral and organizational outcomes that lead to improvements in quality of health services. (Nairobi Hospital Annual Report, 2013).

4 III.

5 Literature Review

HRM can be regarded as a set of interrelated policies with an ideological and philosophical underpinning (Storey, 1989). Human Resource Management practices enable an organization to develop its core competencies and achieve organizational effectiveness (Armstrong, 2006).

HRM aims at informing and facilitating decision making on people management and it relies on a set of levers to shape the employment relationship (Armstrong, 2006). There are two approaches to management of Human Resources. The Michigan Approach is also referred to as the Matching model of HRM and it suggests that HR systems and the organization structures should be managed in a way that is congruent with organizational strategy (Frombrun (Armstrong, 2006).

There are five approaches in which organizations may achieve Strategic Human Resource Management. This includes the resource-based strategy, achieving strategic fit, high-performance management, high-commitment management and high involvement management.

A resource-based approach aims at increasing the firm's strategic capability by developing managers and other staff who can think and plan strategically and who understand the key strategic issues. High performance management practices include rigorous recruitment and selection procedures, extensive and relevant training and management development activities, incentive pay systems and performance management processes. The high performance management aims at making an impact on the performance of the firm through its people in such areas as productivity, quality, levels of customer service, growth, and profits (Armstrong, 2006).

The High-commitment management approach emphasizes on the importance of enhancing commitment (Walton, 1985). In order to achieve high commitment, Wood and Albanese (1995) propose that job design should have a considerable level of intrinsic satisfaction. New forms of assessment and payment systems such as merit pay and profit sharing are also effective at achieving high -commitment. High involvement of staff in management of quality helps to achieve high commitment. High-involvement management aims at creating a climate in which a continuing dialogue between managers and the members of their teams can define expectations and share information on the organization's mission, values and objectives.

IV.

6 Theoretical Review

Human Resource Management has been defined as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals (Wright & McMahan, 1992). The main purpose of HRM practices is to attract, retain, and motivate employees (Schuler & Mac Millan, 1984). The HRM practices include HR planning, staffing, appraising, compensations, training and development and union-management relationships (Schuler & MacMillan, 1984). The HRM sub-system should be aligned and supportive of each other in order to achieve superior performance (Guest, 1997). HRM practices and systems such as extensive employee training and performance contingent incentive compensation systems improve the performance of organizations (Pfeffer, 1994; Delaney & Huselid, 1996).

The role of HRM systems in an organization is to achieve strategic objectives and improve competitive position (Lengnick-Hall & Lengnick-Hall, 1988). Jackson & Schuler (1995) contend that in order to understand the role of HRM systems in an organization it is important to understand how internal and external environments shape: Huselid (1995) provides a theoretical rational approach to addressing the consequences of HR practices on turnover, productivity and corporate financial performance. Guest (1997) discusses the importance of linkages in performance data in demonstrating the association between HRM practices and company profit.

HR practices enhance the internal capabilities of an organization to deal with current and future challenges faced by an organization (Lamba & Choudhary, 2013). Synergies between HR practices can further enhance organizational performance (Baird & Neshoulam, 1988; Jackson & Schuler, 1995; Ado & Wilson, 1994; Ilgrom & Roberts, 1995; Wright & McMahan, 1992). Lack of integration across various HR activities may require broadening the perspective of HRM by recognizing the need for each individual function to be aligned with organizational goals (Lengnick-Hall & Lengnick-Hall, 1988; Wright & Snell, 1991, Wright & McMahan, 1992). When the various subsystems in HRM are aligned and are supportive of each other, the organization is likely to achieve superior performance (Guest, 1997). HRM practices can help create competitive advantage when aligned with firm's competitive strategy (Huselid, 1995; Schuler & Mac-Millan, 1984; Wright & McMahan, 1992).

SHRM plays key role in firms' responses to a strategic change in the environment (Ellis, 1982; Frombrun, 1982; Lindroth, 1982; Limer, 1982; Warner, 1984). SHRM is also crucial when matching Human Resources to strategic or organizational conditions. Developments in theory of strategy include adoption of the resource-based model of strategic human resource management (Boxall, 1996). The resource-based theory attempts to determine whether HR policies and practices are competitively valuable. HR policies and practices are influenced by critical success factors such as commitment, financial resources, positive workforce among others, thus the impact of HR outcomes varies depending on the context (Boxall, 1996). HRM practices tap the motivation and commitment of employees (Guest, 1992). Organizational commitment refers to the individual's psychological attachment to the organization (Lamba & Choudhary, 2013). Organizational commitment is determined by personal variables

such as age and tenure in the organization. Organizational variables such as job design and leadership style of the supervisor also determine organizational commitment (Lamba & Choudhary, 2013).

HR policies and practices need to incorporate employee interests (Boxall, 1996). Firms that fail to accommodate for employee relations tend to underperform and this may also threaten their survival (Hyman, 1987; Boxall, 1996). Thus it is important to understand and analyze the styles of labor management in the firm.

Another dimension of the resource based view is the focus on competitive advantage. Competitive advantage refers to the capabilities, resources, relationships, and decisions that permit a firm to capitalize on opportunities and avoid threats within its industry (Hofer & Schendel, 1978). Competitive advantage is critical to the growth and prosperity of an organization (Schuler & MacMillan, 1984). In order for a firm to develop competitive advantage in the long run, Prahalad & Hamal (1990) contend that the core competencies in a firm should be superior to those of rivals. The human resources need to meet the criteria of value, rarity, imperfect imitability and non-substitutability (Boxall, 1996). A sustained competitive advantage exists only after efforts to replicate the advantage have ceased (Barney, 1991; Wright & McMahan, 1992). Wright & McMahan (1992) outline the conditions that are essential in ensuring that HR is a source of competitive advantage. These conditions include:

1. HR must provide value to a firm
2. HR needs to be rare and this is achieved by ensuring that the organization hires only the highest ability individuals. In order to obtain employees of superior ability, there is need for a combination of valid selection programs and attractive reward systems.
3. The HR has to be inimitable
4. HR should not have substitutes if it is to be considered a sustained competitive advantage

Human Resource Management is primarily concerned with how people are managed within an organization and it focuses on policies and systems. The HRM function is designed to maximize employee performance. Studies have shown a positive association between effective HRM practices and organizational performance (Becker & Huselid, 1998; Huselid 1995). Well-formulated HRM programmes reduce employee turnover and it also makes substantial contributions to financial performance and productivity (Huselid, 1994; Delaney & Huselid, 1996). The human resource practices of a firm relate to the organization's outcome of turnover, productivity and financial performance (Ulrich, 1999). HR practices emanate certain intrinsic motivational effects such as organizational commitment and this leads to high performance (Bhatnagar 2007; Bhatnager 2009).

There are 6 theoretical models that have been used to describe the determinants of HR practices. The theoretical models attempt to predict and understand how HR practices can be developed so as to maximally support organizational performance (Wright & McMahan, 1992). These include: a) Resource-Based View of the Firm The Resource-based view of the firm is based on organizational economics and strategic management literature (Barney 1991; Porter, 1991; Penrose, 1959; Porterfelt, 1984). The resource-based view of competitive advantage focuses on the link between strategy and the internal resources of the firm (Wright & McMahan, 1992).

7 b) The Behavioral Perspective

The behavioral perspective is one of the strategic theories of HRM and it is based on the Contingency theory (Wright & McMahan; Fisher, 1992). The behavioral perspective is effective at analyzing how effective HR practices are in eliciting behaviors of employees. The behavioral perspective theory focuses on employee behavior as the mediator between strategy and firm performance (Wright & McMahan, 1992). This theory posits that the purpose of various employment practices is to elicit and control employee attitudes and behaviors (Wright & McMahan, 1992). These specific attitudes and behaviors that are most effective for the organizations differ depending on the characteristics of

8 c) Cybernetic Systems

This model has been applied to HRM practices so as to generate alternative programs that can manage and reduce turnover in organizations. The Cybernetic system has two general responsibilities namely competence management and behavior management (Wright & McMahan, 1992). Competence management strategies ensure that the organization has the required competencies through training and selection and that the organization utilizes skills that are essential to the business strategy. A competency retention strategy aims at retaining various competencies through training and reducing turnover. Competency displacement ensures that competencies that are not needed in the organizational strategy are eliminated. On the other hand behavioral management is concerned with achieving Behavioral Control and Behavioral Coordination so that individuals in the organizations act in ways that are supportive of the organizational strategy (Wright & McMahan, 1992).

9 d) Agency/Transaction Cost Theory

The underlying theoretical rationale for the Agency/Transaction Cost Theory is that the aggregate performance of groups or organizations is contingent upon the control systems used to monitor employee behavior (Wright & McMahan, 1992). According to Jones & Wright (1992), organizations incur bureaucratic costs in hiring personnel with the required skills, monitoring and evaluating employee performance. The HRM practices should thus aim at identifying unique contributions of employees and providing adequate rewards for individual employee performance. This HRM practice enables firms to align employee behavior with the strategic goals of the organization (Wright & McMahan, 1992). e) Resource Dependence/Power Models Power relationships such

as unionization affect the development of firm's internal labor markets (Wright & McMahan, 1992). Power and politics perspective of HRM changes the focus from viewing SHRM in mechanistic terms where all HRM practices are rationally determined. A power perspective to scarcity of human resources encompasses organizational processes such as power, influence, institutionalization, conflict and competition for control (Wright & McMahan, 1992).

10 f) Institutional theory

According to Meyer & Rowan (1977), "Institutionalism involves the processes by which social processes, obligations, or actualities come to take on a rule like status in social thought and action" (Wright & McMahan, 1992, p.66). Some of the institutional processes that influence HR practices include Equal Employment Opportunity employment practices or minimum wage legislation that influences the pay practices of firms. Organization practices that are embedded in the organization's history are unlikely to change or can change under certain compelling circumstances and thus the practices can create organizational inertia (Wright & McMahan, 1992). Implications of the institutional perspective on SHRM is that not all HRM practices are as a result of rational decision making but most of the HRM practices are influenced by social construction processes. The implementation of these HR practices aim at attaining mythical sense of legitimacy (Wright & McMahan, 1992).

11 V. Conclusions and Recommendations

Transforming the human resource for health crisis into an opportunity requires a new organizational perspective of the HRM system. In order to resolve problems that are likely to impede growth, and lower profitability, the HRM system needs to be internally coherent and aligned to external challenges and opportunities.

The HRM system needs to be properly designed and deployed in order to achieve sustained competitive advantage. The HRM systems need mechanisms that take into consideration behavioral outcomes of health workers, staff conflict, competency and behavior control of health workers. ¹



Figure 1:

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Figure 2:

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